

Learning Outcome 1

Demonstrate knowledge of the scale and impact of co-operatives world-wide.

Finalised Marking Instructions

It is **strongly** emphasised that the references in the marking instructions indicating expected responses are for guidance only and **MUST NOT BE VIEWED AS PRESCRIPTIVE**.

The performance of candidates is measured against the **Performance Criteria Checklist** and it is against these, rather than a checklist of responses, that they should be assessed.

Candidates must satisfy **ALL** Performance Criteria to achieve a pass in Learning Outcome 1.

Performance Criteria 1.1

Award a tick for each point, depending on the quality of the description, relevance and accuracy.

Candidates are required to demonstrate a basic understanding of the International Co-operative Alliance.

Answers may include:

ICA is an independent, non-governmental association which unites, represents and serves co-operatives worldwide.

Candidates are required to give three statistical facts to demonstrate a basic understanding of the International Co-operative Alliance.

Answers may include:

Founded in 1895, ICA has 269 member organisations from 97 countries active in all sectors of the economy. Together these co-operatives represent nearly one billion individuals worldwide.

Performance Criteria 1.2

Award a tick for each point, depending on the quality of the description, relevance and accuracy.

*Candidates are required to demonstrate a basic understanding of the **scale** of co-operatives world-wide.*

Answers may include:

The United Nations estimated in 1994 that the livelihood of nearly 3 billion people, or half of the world's population, was made secure by co-operative enterprise.

*Candidates are required to demonstrate a Basic understanding of the **geographical spread** of co-operatives world-wide.*

Answers may include:

In Asia 45.3 million people are members of a credit union.

In Argentina, there are 12,670 co-operative societies with over 9.3 million members - approximately 23.5% of the population. .

In Bolivia, 2,940,211 people or one -third of the population is a member of the 1590 co-operatives.

In Brazil, 7.6 million people are members of 7,600 cooperatives.

In Canada, four of every ten Canadians are members of at least one co-operative. In Quebec, approximately 70% of the population are co-op members, while in Saskatchewan 56% are members.

Please see the ICA website: www.ica.coop/coop/statistics for further examples.

Performance Criteria 1.3

Award a tick for each point, depending on the quality of the description, relevance and accuracy.

*Candidates are required to give a basic explanation of the **impact** co-operatives have on the economy in general and on **employment** in particular in a country where a large proportion of the population are members of a co-operative, using three statistical facts.*

Answers may include:

Co-operatives create and maintain stable employment for millions of people around the world.

Co-operatives provide over 100 million jobs around the world, 20% more than multinational enterprises.

In Bolivia

- 2,940,211 people or one-third of the population is a member of the 1590 co-operatives
- Cooperativa de Ahorro y Crédito "Jesús Nazareno" Ltda. (CJN) handled 25% of the savings in 2002.
- 1590 co-operatives provide 32,323 direct jobs and 128,180 indirect jobs.

In Canada

- four of every ten Canadians are members of at least one co-operative. In Quebec, approximately 70% of the population are co-op members, while in Saskatchewan 56% are members
- Canadian maple sugar co-operatives produce 35% of the world's maple sugar production.
- In Canada, co-operatives and credit unions employ over 155,000 people. The Desjardins movement (savings and credit co-operatives) is the largest employer in the province of Québec.

In Colombia

- over 4.8 million people or 10.6% of the population are members of the 8,124 co-operatives in the country. The movement reports an annual growth rate of 7.78% with 348,249 new members joining co-operatives in 2009
- the 8,124 co-operatives are responsible for 4.96% of the GDP in 2009 . They employ over 137,888 people - 46% of which are men and 54% women. and some sectors are providing a significant proportion of the jobs - 22.27% of all health sector jobs are provided by co-operatives, 14.7% of the jobs in the transport sector, 7.7 % in agriculture and 6.44% of the jobs in the financial sector. Co-ops provide 91% of all microcredit in the country.
- the co-operative movement provides 137,888 jobs through direct employment and an additional 559,118 jobs as worker-owners in workers co-operatives - providing 3.65% of all jobs in the country.

In France

- 23 million people are members of one or more co-operatives or approximately 38% of the population. 75% of all agricultural producers are members of at least one co-operative and 1 in every 3 persons is a member of co-operative bank.
- the co-operative movement has a turnover of 181 billion Euros. Co-operatives handle 60% of retail banking, 40% of food and agricultural production, and 25% of retail sales.
- 21,000 co-operatives provide over 1million jobs representing 3.5% of the active working population.

Please see the ICA website: www.ica.coop/coop/statistics for further examples.

Alternatively:

During the economic crisis of 2001, when politicians and banks failed, many Argentines took matters into their own hands. Poverty, homelessness and unemployment were countered with barter systems and grassroots, micro-credit lending programs. Community groups were created to provide solidarity, food and support in neighbourhoods across the country. Co-operatives have provided many Argentines with stable, reliable employment in a time of economic uncertainty.

In Argentina, there are over 17,941 co-operative societies with 9.1 million members.

The wages drawn by members of a cooperative In Argentina are almost seven times the small monthly stipend that the state extends to unemployed heads of households.

Women now hold 40 percent of the jobs, working also as bricklayers and electricians.

'Las Antenas' emerged in the early 1990s in La Matanza, a working-class district of Greater Buenos Aires, to fight for access to land. Today the cooperative has built 250 housing units and has won several contracts to renovate and refurbish public buildings, employing many people.

Performance Criteria 1.4

Award a tick for each point, depending on the quality of the description, relevance and accuracy.

Candidates are required to demonstrate a basic understanding of the origins and scale of an existing co-operative outside Britain.

Answers may include:

MONDRAGON Corporation is the embodiment of the co-operative movement that began in 1956, the year that witnessed the creation of the first industrial cooperative in Mondragón in the province of Gipuzkoa; its business philosophy is contained in its Corporate Values:

- Co-operation.
- Participation.
- Social Responsibility.
- Innovation.

The Corporation's Mission combines the core goals of a business organisation competing on international markets with the use of democratic methods in its business organisation, the creation of jobs, the human and professional development of its workers and a pledge to development with its social environment.

In terms of organisation, it is divided into four areas: Finance, Industry, Distribution and Knowledge, and is today the foremost Basque business group and the seventh largest in Spain.

In 2004 Members 56,000; Turnover EUR 10billion; Staff 70,000.

OR

The Hotel Bauen Co-operative in downtown Buenos Aires was formed in March 21, 2003. In 2001 the hotel went bankrupt and on December 21st, fired all of its workers. The majority of the ninety employees went without work for twelve to fourteen months.

On March 21, 2003 after a meeting in Chilavert, one of the first worker-run factories in the city, Hotel Bauen's workers gathered at night at the intersection of the streets Corrientes and Calloa in downtown Buenos Aires. They walked the short distance to the hotel and entered the building. Cheers filled the air. The lights were switched on. Workers hugged each other and wept. They had succeeded in the first step of the recuperation process: occupation.

Yet the hotel was far from being in working condition. A lot of the material and equipment had been sold by the previous owners or stolen. The workers still faced months of cleaning and repairing in order to get the hotel back on its feet.

It took the workers until August of 2004 to reopen the hotel.

Candidates are required to demonstrate a basic understanding of the impact an existing co-operative outside Britain has had on its members.

Answers may include:

At the end of 2010 Mondragon was providing employment for 83,859 people working in 256 companies in four areas of activity: Finance, Industry, Retail and Knowledge. The MONDRAGON Co-operatives operate in accordance with a business model based on People and the Sovereignty of Labour, which has made it possible to develop highly participative companies rooted in solidarity, with a strong social dimension but without neglecting business excellence. The Co-operatives are owned by their worker-members and power is based on the principle of one person, one vote.

OR

The Hotel Bauen Co-operative has given its members stable, secure employment and a real say in the running of the business.

Candidates are required to give a basic explanation of the success of an existing co-operative outside Britain.

Answers may include:

The Mondragon Group had 23,130 workers at the end of 1990. On the international stage, the aim was to respond to the growing globalisation process, strongly promoting expansion abroad by setting up production plants in a number of countries. The first, the Copreci plant in Mexico in 1990 was followed by many others taking the total to 73 by the end of 2008. This was part of a strategy aimed at: increasing competitiveness and market share, bringing component supply closer to important customers' plants, especially in the automotive and domestic appliance sectors; and strengthening employment in the Basque Country, by promoting the export of products manufactured by the Co-operatives by means of the new platforms.

In October 2009, the United Steelworkers announced an agreement with Mondragon to create worker co-operatives in the United States.

OR

The workers in Hotel Bauen are running their business as a co-operative. Not everyone receives the same salary, but all major decisions are made in assemblies attended by all the hotel's workers.

Fabio Resino has been working at the hotel since it was taken over by the workers in 2003. "If the hotel had been run as a co-operative for all these years it would not have closed," he explained. "There was a lot of corruption and bad management with the previous owner. You could ask all ninety people that work here today and they'd all respond that they

prefer this system to working for one boss. It takes more time this way, you have to work for more hours with fewer resources, but it's worth it." "Before, we worked for a boss," he continued. "Now we work for ourselves. And when it is a co-operative you want to work better because it is your business, your own process. Before workers were numbers. Now we are people."

[END OF MARKING INSTRUCTIONS]

Final