

Learning Outcome 1

Evaluate the scale and impact of co-operatives world-wide.

Performance Criteria Checklist

Evidence may be presented for individual Performance Criteria or gathered as a whole by combining assessments holistically in one single activity. Learners may work individually, in groups or in pairs, depending on the centre. Learners may demonstrate their knowledge by way of a written or oral response. Oral responses may be given by way of a formal presentation or as part of a group discussion. Oral responses may also be videoed. Use of ICT is encouraged. Learners may be assessed by the teacher or by teacher and peer assessment.

There are many different ways of assessing the Performance Criteria in this Unit and centres should structure their assessments in a manner appropriate to their individual needs, therefore allowing access for all.

In order to achieve a Level 5 pass, learners must satisfy *all* performance criteria.

Performance Criteria 1.1

The learner has demonstrated:

An understanding of what the International Co-operative Alliance is ☐

An understanding of the International Co-operative Alliance membership in terms of:

Who it's members are ☐

Diversity: ☐

Scale: ☐

An understanding of at least three of the functions of the ICA : ☐

The learner has used:

At least three statistical facts about member organisations ☐

Performance Criteria 1.2

The learner has demonstrated:

An understanding of the **scale** of co-operatives world-wide ☐

An understanding of the **geographical spread** of co-operatives world-wide ☐

Performance Criteria 1.3

The learner has demonstrated a:

Comparative explanation of the **impact** co-operatives have on the **economy** in general in two countries where a large proportion of the population are members of a co-operative ☐

The learner has used:

Three statistical facts to demonstrate a comparative explanation of the **impact** co-operatives have on the **economy** in general ☐

The learner has demonstrated a:

Comparative explanation of the **impact** co-operatives have on **employment** in a country where a large proportion of the population are members of a co-operative ☐

The learner has used:

Three statistical facts to demonstrate a comparative explanation of the **impact** co-operatives have on the **employment** ☐

Performance Criteria 1.4

The learner has demonstrated:

An understanding of the origins and scale of two existing co-operatives, in two different countries, outside Britain ☐

The learner has evaluated:

The impact these existing co-operatives have on their respective country's economies ☐

The impact these existing co-operatives have on employment in their respective countries ☐

The impact these existing co-operatives have on their members ☐

In the course of this assessment, learners will also develop broad generic skills for life, learning and work. These skills include evaluating a range of sources of information and skills in the use of statistics and research.

Performance Criteria 1.1-1.4 lend themselves to the development of literacy skills particularly reading a range of texts and drawing conclusions from chosen sources. Skills of numeracy will be developed through the evaluation of a range of numerical, statistical and graphical sources of information.

Citizenship and sustainability will also be an important aspect of this Unit as a whole.

There may also be opportunities for other additional skills for learning, skills for life and skills for work to be developed in the Unit. However, this could vary across centres depending on approaches being used to deliver the Unit in a centre and this should be for individual teachers and lecturers to decide.

Learning Outcome 1

Instrument of Assessment

In order to assess your learning and attain a pass in Learning Outcome 1, you will be required to evaluate the scale and impact of co-operatives world-wide. This assessment will take the form of a Formal Report, which can be presented orally or as a written report. Carefully follow the instructions in the Writing Frame below to structure your report.

INTRODUCTION

- GIVE A **BRIEF** SUMMARY OF THE PURPOSE OF THE REPORT.

PARAGRAPH ONE

You must be able to describe clearly:

- What the International Co-operative Alliance is

PARAGRAPH TWO

You must be able to describe clearly:

The membership of the International Co-operative Alliance using at least **three** statistical facts to demonstrate your understanding.

PARAGRAPH THREE

You must be able to describe clearly:

At least **three** of the functions of the International Co-operative Alliance.

PARAGRAPH FOUR

You must be able to demonstrate clearly:

An understanding of the **scale** of co-operatives world-wide and show an understanding of the **geographical spread** of co-operatives world-wide, using at least **three** statistical facts to demonstrate your understanding.

PARAGRAPH FIVE

You must be able to:

Describe, in detail, the **impact** co-operatives have on the **economy** in general and **employment** in particular, in a country where a large proportion of the population are members of a co-operative.

Describe, in detail, the **impact** which co-operatives have on the **economy** in general and **employment** in particular, in **another** country where a large proportion of the population are members of a co-operative.

Compare the impact of each co-operative on the **economy** in general and **employment** in particular.

PARAGRAPH SIX

You must be able to:

Describe the origins and scale of an existing co-operative outside Britain.

Describe the origins and scale of **another** existing co-operative outside Britain.

PARAGRAPH SEVEN

You must be able to:

Evaluate the impact an existing co-operative outside Britain has had on the economy of their country.

Evaluate the impact **another** existing co-operative outside Britain has had on the economy of their country.

PARAGRAPH EIGHT

You must be able to:

Evaluate the impact an existing co-operative outside Britain has had on employment in their country.

Evaluate the impact **another** existing co-operative outside Britain has had on employment in their country.

PARAGRAPH NINE

You must be able to:

Evaluate the impact an existing co-operative outside Britain has had on its members.

Evaluate the impact **another** existing co-operative outside Britain has had on its members.

In order to achieve a Level 5 pass in Learning Outcome 1, you must make sure you have fully explained each point and used statistical facts where instructed to do so.

Good luck!

Learning Outcome 1

Evaluate 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 describe clearly what the International Co-operative Alliance is.

Answers may include:

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

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Candidates are required to describe clearly the membership of the International Co-operative Alliance, using at least three statistical facts.

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.

In Argentina, there are over 17,941 co-operative societies with 9.1 million members. In Canada, 1 in 3 individuals is a member of a co-operative (33%).

In Germany, there are 20 million people who are members of a co-operative, 1 out of 4 people.

In Japan, 1 out of every 3 families are members of a co-operatives.

In the United States, 4 in 10 individuals is a member of a co-operative (25%).

Candidates are required to describe clearly at least three functions of the International Co-operative Alliance.

Answers may include:

ICA's priorities and activities centre on promoting and defending the Co-operative Identity, ensuring that co-operative enterprise is a recognised form of enterprise that is able to compete in the marketplace.

- ICA raises awareness about co-operatives. It helps individuals, government authorities and regional and international institutions understand the co-operative model of enterprise. It channels specific information to institutions and the media' showing the importance of co-operatives to a wide range of economic and social issues. It disseminates information materials including the ICA Digest and other communication means and celebrates jointly with the United Nations, the International Day of Co-operatives on an annual basis.
- ICA is the voice of the co-operative movement. ICA has special status with a number of multilateral institutions including the United Nations and its agencies, the Council of Europe, the regional development banks, and others. It is able to communicate the position of the Co-operative Movement on a wide range of economic, social and cultural issues.

- ICA ensures that the correct policy environment exists to enable co-operatives to grow and prosper. It helps its members in their lobbying for new legislation and more appropriate administrative procedures that respect the co-operative model, its values and principles. It provides political support as well as technical expertise to enable co-operatives to compete on a level playing field. It has been recently engaged in lobbying the International Accounting Standards Board with regard to how co-operatives are classified in accounting standards.
- ICA provides its members with key contacts and information on best practice. It facilitates contacts between co-operatives for trading purposes and intelligence sharing in a wide range of areas. It organises meetings and workshops and individual meetings to address key issues affecting co-operatives and allows discussion among co-operators from around the world.
- ICA provides technical assistance to co-operatives through its development programmes at global and regional levels. ICA also promotes capacity-building, advice and financial support to movements around the world.

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 an understanding of the **scale** of co-operatives world-wide, using statistical facts.*

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.

In Cyprus, the co-operative movement held 30% of the market in banking services, and handled 35% of all marketing of agricultural produce.

In Denmark, consumer co-operatives in 2004 held 37% of the market.

Finnish co-operative groups within Pellervo were responsible for 74% of the meat products, 96% of dairy products; 50% of the egg production, 34% of forestry products and handled 34.2% of the total deposits in Finnish banks.

In Hungary consumer co-operatives members of Co-op Hungary were responsible for 14.4% of the national food and general retail sales in 2004. (Source: Co-op Hungary, Statistical Data 2004)

In Japan, the agricultural co-operatives report outputs of USD 90 billion with 91% of all Japanese farmers in membership.

In Kenya, co-operatives are responsible for 45% of the GDP and 31% of national savings and deposits. They have 70% of the coffee market, 76% dairy, 90% pyrethrum, and 95% of cotton.

In Korea, agricultural co-operatives have a membership of over 2 million farmers (90% of all farmers), and an output of USD 11 billion. The Korean fishery co-operatives also report a market share of 71%.

In Kuwait, the Kuwaiti Union of Consumer Co-operative Societies handled 80% of the national retail trade.

In Norway, dairy co-operatives are responsible for 99% of the milk production; consumer co-operatives held 25% of the market; fisheries co-operatives were responsible for 8.7% of total Norwegian exports; forestry co-operatives were responsible for 76% of timber and that 1.5 million people of the 4.5 million Norwegians are member of co-operatives.

In Poland, dairy co-operatives are responsible for 75% of dairy production.

In Singapore, consumer co-operatives hold 55% of the market in supermarket purchases and have a turnover of USD 700 million.

In Slovenia, agricultural co-operatives are responsible for 72% of the milk production, 79% of cattle; 45% of wheat and 77% of potato production.

In Sweden, consumer co-operatives held 17.5% of the market in 2004.

In Uruguay, co-operatives produce 90% of the total milk production, 34% of honey and 30% of wheat. 60% of co-operative production is exported to over 40 countries around the world.

In the United States more than 30 co-operatives have annual revenue in excess of USD 1 billion. In 2003 the top 100 US co-operatives had combined revenues of USD 117 billion. In addition, approximately 30% of farmers' products in the US are marketed through 3,400 farmer-owned co-operatives.

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

*Candidates are required to demonstrate a basic understanding of the **geographical spread** of co-operatives world-wide, using statistical facts.*

Answers may include:

Co-operatives provide over 100 million jobs around the world, 20% more than multinational enterprises. They exist in every continent across the globe.

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 Belgium, there were 29,933 co-operative societies in 200.

In Bolivia, 2,940,211 people or one-third of the population, are members of the 1590 co-operatives.

In Brazil, 7.6 million people are members of 7,600 co-operatives.

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.

In the UK, the largest independent travel agency is a co-operative.

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 describe, in detail, the impact co-operatives have on the economy in general, and employment in particular, in two countries where a large proportion of the population are members of a co-operative.

Answers may include:

India

The seeds of co-operation in India were sown in 1904 when the first *Co-operative Societies Act* was passed. Since then, the co-operative movement has made significant progress.

Co-operatives have extended across the entire country and there are currently an estimated 230 million members nationwide. The co-operative credit system has the largest network in the world and co-operatives have advanced more credit in the Indian agricultural sector than commercial banks. In fertiliser production and distribution the Indian Farmers Fertiliser Co-operative (IFFCO) commands over 35 percent of the market. In the production of sugar the co-operative share of the market is over 58 percent and in the marketing and distribution of cotton they have a share of around 60 percent. The co-operative sector accounts for 55 percent of the looms in the hand-weaving sector. Co-operatives process, market and distribute 50 percent of edible oils. Dairy co-operatives operating under the leadership of the National Dairy Development Board and through 15 state co-operative milk marketing federations has now become the largest producer of milk in the world. The groundwork for this was laid in the early 1970's when the largest dairy development programme in the world - *Operation Flood* - was launched. Operation Flood was a national marketing strategy linked to a dairy infrastructure development programme that created a chain of dairy processing plants, collection stations and a national milk transportation grid.

With the rapid growth of the co-operative sector, a supportive climate has been created for the development of co-operatives as democratic and autonomous businesses providing them with the opportunities for diversification. The co-operatives have long been demanding that the Central Government introduce democratic reforms in their regulation, supervision and functioning. With the persistent efforts of the National Co-operative Union of India, the Central Government recently passed the *Multi-State Co-operatives Societies Act* and also formulated a national co-operative policy that provides greater autonomy to cooperatives.

The National Co-operative Union of India is the apex organisation promoting the co-operative movement in the country. With the passage of the Insurance Act, co-operatives have been allowed to entry into the insurance business. Insurance is a field where the immense potential of co-operatives still remains untapped. The Indian Farmers Fertiliser Co-operative has recently teamed up with a Japanese company and formed a joint venture for undertaking general insurance business in India. This signifies that Indian co-operatives have come of age in formulating strategic alliances.

In the new economic environment, co-operatives at all levels are making efforts to reorient their functions according to the market demands. The failure of the public sector in several cases is a worrisome trend. Privatisation has also failed to make an impact in the rural areas. The government has therefore pinned a consider amount of hope on the co-operative sector.

USA

Today, there are nearly 30,000 co-operatives in the United States, with more than 100 million members. In nearly every part of the economy, people have joined together to do business more effectively or to get the products and services they need—from food to construction equipment to childcare—through co-operatives.

The economic impact of U.S.-based co-operative businesses is significant, reflecting the ubiquity of co-ops, the large number of Americans who are their owners or customers, and the role co-ops play in generating business activity, including jobs and economic growth.

Co-operatives have an identifiable economic impact on the six key sectors of: agriculture, credit unions, farm credit, electric utilities, grocery and housing.

In summary:

There are 21,367 co-operatives in the six sectors.

These co-operatives have more than 127.5 million members.

Adding in the memberships of the three additional large consumer co-ops would increase this number to 130.5 million.

Co-operatives in these six sectors employ considerably more than 500,000 Americans, with aggregate payrolls of more than \$15 billion annually.

These co-operatives generate total annual revenues in excess of \$211.9 billion. Adding in the revenues of 10 additional large purchasing co-operatives and three additional large consumer co-ops would increase this number to \$229.7 billion.

Among individual sectors:

Agriculture co-ops have a gross business volume of more than \$111 billion per year and 2.8 million members.

The Farm Credit System has approximately \$125 billion in assets and \$96 billion in loans outstanding.

Credit unions have \$668 billion in assets and more than 86 million members, who receive billions of dollars in benefits annually from lower loan rates and higher savings rates.

Credit unions have \$443.5 billion in loans outstanding.

Electric utility co-ops serve 37 million people and their lines cover more than three quarters of the U.S. land mass.

Food and grocery co-ops generate \$33 billion in annual revenues while retail food co-ops alone pay back an estimated \$4 million a year to their members.

Housing co-operatives have combined budgets in excess of \$11 billion, and make an estimated \$1.2 billion in property improvements each year.

Candidates are required to compare, in detail, the impact co-operatives have on the economy in general, and employment in particular, in two countries where a large proportion of the population are members of a co-operative. Candidates should use at least three statistical facts.

Answers may include:

In the USA , many co-operatives are large scale and generate huge amounts of income. They contribute greatly to the economy of the USA and employ millions of people.

Today, there are nearly 30,000 co-operatives in the United States, with more than 100 million members.

Co-operatives in these six sectors employ considerably more than 500,000 Americans, with aggregate payrolls of more than \$15 billion annually.

These co-operatives generate total annual revenues in excess of \$211.9 billion.

In India, co-operatives have extended across the entire country and there are currently an estimated 239 million members nationwide.

Today, there are nearly 545,000 co-operatives in India, with co-operatives in every town and most villages.

Co-operatives tend to be smaller in size than in the USA, but there are many more. In India co-operatives are more common in rural areas.

Performance Criteria 1.4

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

Candidates are required to describe the origins and scale of two existing co-operatives outside Britain.

Answers may include:

Co-opérative La Mauve, Canada.

Co-opérative La Mauve, in Canada, originated from a non-profit organization that began in 1999 to provide awareness and education on issues of sustainable development. In 2002, this group decided to form as a non-profit co-operative and acquired a 150 year old grocery store and meat market in the heart of St.Vallier.

The focus of the group quickly turned toward distribution and processing of local food with a store front, a community supported agriculture (CSA) program, and a strong educational component. Co-opérative La Mauve now sources and sells local organic food products, giving priority to its producer members.

The co-operative consists of one hundred and seventy-two members with thirty five producer members, seven worker members, and one hundred and thirty 'support members.'

The group is reasonably small in scale.

Kenya Cooperative Creameries, Kenya

KCC was relaunched by the Government in 2003. It has a market share of 90%.

Its predecessor, the Kenya Co-operative Creameries Ltd has operated in Kenya since 1925. This makes it the oldest dairy processor in the country.

New KCC is the largest business entity in the dairy industry in East Africa. The business process of New Kenya Co-operative Creameries Ltd encompasses the receiving of raw milk from farmers, processing it into various milk products and marketing and selling the products for the benefit of the company shareholders.

This co-operative is large and employs many people across the country.

*Candidates are required to describe, in detail, the **impact** two different co-operatives in a country other than Britain have had on the economy in general.*

Answers may include:

Co-opérative La Mauve, Canada.

Co-opérative La Mauve, in Canada, originated from a non-profit organization that began in 1999 to provide awareness and education on issues of sustainable development. In 2002, this group decided to form as a non-profit co-operative and acquired a 150 year old grocery store and meat market in the heart of St.Vallier.

The focus of the group quickly turned toward distribution and processing of local food with a store front, a community supported agriculture (CSA) program, and a strong educational component. Co-opérative La Mauve now sources and sells local organic food products, giving priority to its producer members.

The co-operative consists of one hundred and seventy-two members with thirty five producer members, seven worker members, and one hundred and thirty 'support members.'

Co-opérative La Mauve provides three different services to the local community:

local and fair trade marketing, agricultural land access, and public educational awareness campaigns. The co-op grocery store and butcher shop sources 75% of its produce and meat from local producer members.

The co-operative also has a community supported agriculture (CSA) program that links local consumers directly to local producers. Co-opérative La Mauve also owns agricultural land in the area of Beaumont that allows small-scale farmers to grow organic food. La Mauve Gardens acts as a demonstration site and community garden for sustainable agricultural practices. Growers can sell their products through the co-operative.

The co-operative is healthy financially with gross receipts of \$600,000. The store is becoming a focal point for the local community and is stimulating the local food economy.

Kenya Cooperative Creameries, Kenya

KCC was relaunched by the Government in 2003. The re-launch of KCC has broadened the competition in the formal market sector, contributing to better farm gate prices and a better performance by the dairy sector.

KCC's own milk intake has increased from 40,000 litres per day (or around 14.6 million litres p.a.) in 2002 to 400,000 litres per day (or around 146 million litres p.a.) by end of 2006.

Farm gate milk prices have improved as a result of KCC. KCC sets what amounts to a benchmark price, in the range of Kshs 16-20 per litre, giving farmers some price predictability. With its wide coverage over the country and capacity it is able to purchase all the milk delivered to it by farmers. KCC is, therefore, seen as a major stabilising factor for milk prices and a major contributor to the Kenyan economy.

*Candidates are required to describe, in detail, the **impact** two different co-operatives in a country other than Britain have had on employment in their country.*

Answers may include:

Co-opérative La Mauve, Canada.

Employs workers in three important sectors:

- Local and fair trade marketing
- Gardens and land access
- Public awareness and education

The Co-operative has over 300 active members and stimulates the local food economy.

Kenya Co-operative Creameries, Kenya

Kenya Co-operative Creameries (KCC) has a market share believed to be over 90%, providing employment for many. Milk processing and transport provide further jobs for many Kenyan's.

*Candidates are required to describe, in detail, the **impact** two different co-operatives in a country other than Britain have had on its members.*

Answers may include:

Co-opérative La Mauve, Canada.

The co-operative consists of one hundred and seventy-two members with thirty five producer members, seven worker members, and one hundred and thirty 'support members.' Producer members buy a member share for \$100 as individuals and \$300 for an incorporated business. The producers own their individual farms or use agricultural land owned by the co-operative. Worker members also buy a \$100 share and work directly in the co-operative as the co-ordinator, butcher and other operational workers. Support members pay a \$20 fee per person and \$100 for a corporation and this financial support contributes to the overall development of the co-operative. Their broad membership allows everyone in the community to join the co-operative. A founding member notes, 'the co-op was born from a small group of people that needed land, alternative marketing, and collaboration to better their knowledge of sustainable agricultural practices.' The co-operative has attracted a younger than average membership and has received interest from a broad range of community producers and consumers. Co-opérative La Mauve provides three different services to the local community: local and fair trade marketing, agricultural land access, and public educational awareness campaigns. The co-op grocery store and butcher shop sources 75% of its produce and meat from local producer members. The co-operative sells a wide range of local meat and game such as beef, pork, veal, rabbit, guinea-fowl and bison as well as value-added meat. They also exchange knowledge about agricultural and environmental sustainable development. Marie Lacasse, one of the worker members, notes that the co-operative has been successful in getting families involved, keeping the members together, preventing competition among producers, and insuring strong product quality. One reason for this is circulating news as often as possible in the form of newsletters.

The co-operative is an excellent example of what can be achieved through co-operation.

Kenya Co-operative Creameries, Kenya

The KCC buys excess milk from members unable to sell their produce in local markets. They provide stable employment for their members and ensure a reasonable price for their products.

[END OF MARKING INSTRUCTIONS]