

Certificate in Co-operative Studies

History and Development of the Co-operative Movement

National 5 Assessment - Teacher's Notes

Learning Outcome 3: Investigate the diversity of co-operative enterprise in Scotland today.

Performance Criteria 3.1:

Identify three different economic sectors in which co-operative enterprise exist in Scotland today.

Performance Criteria 3.2:

For each economic sector identified in PC3.1, explain clearly the purpose of such a co-operative.

Performance Criteria 3.3:

Give an example of an existing co-operative in each of the sectors identified in PC3.1.

Performance Criteria 3.4:

Investigate one of the examples identified in PC3.3 from a sector other than retail.

Describe clearly-

- **who its members are.**
- **the nature of its business.**
- **its purpose.**
- **the scale of the operation.**
- **the benefits it offers to members.**

Performance Criteria 3.5:

Outline the essential characteristics of 'consumer', 'producer' and 'worker' co-operatives in terms of

- who the members are.
- the benefits to members.

Performance Criteria 3.6:

Compare 'consumer', 'producer' and 'worker' co-operatives and comment on the differences.

Performance Criteria 3.7:

Give an existing example of a 'consumer', 'producer' and 'worker' co-operative.

Performance Criteria 3.8:

Classify the example studied in PC3.4 as 'consumer', 'producer' or 'worker'.

Assessment Strategy

In order to achieve learning outcome 3 the student must be able to give written evidence of various points including:

- different economic sectors where co-operative enterprises exist.
- examples of co-operatives within each sector.
- a detailed description of one type of co-operative within a given sector.
- the differences between 'consumer', 'worker' and 'producer' co-operatives with examples of each.

Students will be given one hour and 30 mins. to do this assessment under exam conditions.

Should the student fail to pass any given section, they will be given 2 re-sit opportunities.

The assessment is split into 2 sections. As a result the paper may be sat as a whole in one sitting or as two separate papers. This is to help with fitting it into a class where National 4 and National 5 are being taught together.

Where each section is done separately, 45 minutes should be given to complete the specific assessment section under exam conditions.

The student must pass each question/ section in order to achieve the full learning outcome.

A pass in this outcome can only be achieved if the student has answered, correctly, at least half of every question.

Should the student fail to pass any part of the paper they should be given up to two opportunities for a re-sit.

Section A of the assessment will be based on the performance criteria for 3.1, 3.2, 3.3, 3.4 and 3.8.

Section B of the assessment will be based on the performance criteria for 3.5, 3.6 and 3.7.

A useful website for teaching and learning/ revision purposes is:

<http://www.abdn.ac.uk/cets/current-students>

The website lists all the different types of co-operatives and gives links to specific examples.

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National 5 Assessment - Student Guide

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Performance Criteria 3.4:

**Investigate one of the examples identified in PC3.3 from a sector other than retail.
Describe clearly-**

- **who its members are.**
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- **its purpose.**
- **the scale of the operation.**
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Classify the example studied in PC3.4 as 'consumer', 'producer or 'worker'.

Assessment Strategy

In order to achieve learning outcome 3 you must be able to give written evidence of various points including:

- different economic sectors where co-operative enterprises exist.
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National 5 - Learning Outcome 3 Assessment

SECTION A:

Read the questions carefully and answer in the spaces given.

1. **Consider the following questions and use them to fill in the table that follows.**
 - a.) Write down 3 different economic sectors in which co-operative enterprises exist in Scotland today.
 - b.) Explain clearly the purpose of a co-operative for each economic sector given in question a.).
 - c.) Give an example of an existing co-operative in each of the sectors you have identified in a.).

Economic Sector	Purpose	Example of existing co-operative

2. Chose one of the examples that you have given for question 1, which is not in the retail sector, and fill in the following information.

Type of Co-operative enterprise: _____

Who are its members?

The nature of its business is:

The purpose of the organisation is:

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Description of the scale of its operation:

The benefits it offers to its members are:

Is this an example of a 'consumer', 'producer' or 'worker' co-operative?

SECTION B:

1. Outline the essential characteristics of 'consumer', 'producer' and 'worker' co-operatives by filling in the table below.

Type of co-operative	Who its members are	The benefits to members
Consumer		
Producer		
Worker		

2. Describe the differences between 'consumer', 'producer' and 'worker' co-operatives.

3. Give an existing example of a 'consumer', 'producer' and 'worker' co-operative by filling in the table below.

Type of co-operative	Example of a co-operative
Consumer	
Producer	
Worker	

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National 5 - Learning Outcome 3 Assessment

Marking Scheme

Students should be accredited with any correct information such as that given below.

SECTION A:

Housing -

A housing co-operative is created by people who wish to find a housing solution to their community's problems.

Members of a housing co-operative may want to share the costs of ownership with others, they may want to live in a specific community like an 'eco-home', or they may want to create a better community through regeneration. At the end of the building scheme, each member of the co-operative will have their own home.

Here is an example of a Scottish housing co-operative:

West Whitlawburn Housing Co-operative

Agriculture -

Agricultural co-operatives or farmers' co-operatives are co-operatives where farmers share their resources for mutual benefit. Services can include helping their individual farming members or sharing resources such as land or machinery.

By taking advantage of bulk buying, costs can be kept down and farmers can make more of a profit.

Agricultural co-operatives operating in Scotland:

Scottish Association of Farmers' Markets

Aberdeen and Northern Marts

Scottish Agricultural Organisation Society Ltd

Finance -

Credit unions are co-operative financial institutions that are owned and controlled by their members. Credit unions provide the same financial services as banks, but are considered not-for-profit organisations and adhere to co-operative principles.

Scottish examples include:

Glasgow Credit Union

Grampian Credit Union,

Capital Credit Union

St Machar Credit Union.

National and global organisations such as Association of British Credit Unions and World Council of Credit Unions have been set up to help to serve the interests of credit union members and to promote co-operation.

Retail-

A retailers' co-operative is an organisation which helps retail businesses to receive discounts from manufacturers by organising the collective purchase and sale of goods by a group who share profits or benefits.

The Co-operative Group is the world's largest consumer co-operative in the retail sector. They have led the way in getting Fair Trade into the supermarkets here in the UK. Members each pay £1 to join, which enables them to vote and put themselves forward for election to local, regional, and UK-wide committees. This democratic ownership gives members a very real say in how the business is run. The Co-operative Group encompasses Food, Farming, Financial Services, Travel, Pharmacy, Funeral-care and Legal

Services. Members can use a membership card in all Group businesses which allows them to receive a share in the profits of the Group.

Scotmid is Scotland's largest independent co-operative, with over 260 retail outlets in the shape of community based food stores and the toiletry chain Semi Chem.

The Best Western international hotel chain is also a retailers' co-operative.

For question 2 students can choose an example of an existing co-operative enterprise from the ones they have described in question 1 (except retail).

Students must describe each of the following:

- **the nature of its business:** for example - how does the business work? What does it do? What products does it sell? Etc.
- **who its members are.**
- **the scale of its operation**
- **its purpose:** for example- why was it set up? What are its aims? What does it hope to achieve?
- **the benefits it offers to members:** for example - what are the good things about the enterprise? What do the members get out of it?

Correct answers can only be accredited if the example given is one of the co-operatives given in answer to question 1.

Examples of many existing co-operative enterprises can be found on the website:

<http://www.abdn.ac.uk/cets/current-students>

SECTION B:

Questions 1 and 3 (performance criteria 3.5 and 3.7)

Consumer -

A consumers' co-operative is a business whose **members are its customers**. Employees can also generally become members.

Members vote on major decisions and elect the board of directors from amongst their own number. It offers a wide variety of retail and financial services.

They provide members with goods at the lowest possible price and with a guarantee of good value, which makes their income go further.

The Co-operative Group is the world's largest consumer co-operative. It operates throughout the UK and has a turnover in excess of 10 billion pounds.

Worker -

A workers' co-operative is a business owned and democratically controlled by its employees on an equal basis.

Membership is not always compulsory for employees, but **generally only employees can become members**.

Worker-members own the company and have the right to participate in a share of the profits generated. They also control the running of the company.

There are many innovative workers' co-ops throughout Scotland supporting key sectors of the economy such as the food, transport, leisure, and creative sectors.

Examples: Highland Wholefoods; Edinburgh Bicycle Co-operative; The Graphics Company; Atomised.

Producer -

Producer owned businesses enable self-employed people and businesses to gain the strength in numbers they need to survive in the market. **The members are the individual producers.** An example of a producer co-operative would be a group of farmers banding together to jointly market their produce, in which case the members would be the farmers.

Members can secure better deals for their products, enjoy the benefits of collective marketing and in some cases share expensive machinery and equipment.

Examples – Argyll Food Producers; Atholl Glens Organic Meats; Ocean Spray (cranberry juice).

Question 2 (performance criteria 3.6)

In a consumer co-operative, the members are the customers but in both worker and producer co-operatives the members work in or for the co-operative.

In a worker co-operative, the members are employees as well as owners but in a producer co-operative the producers own the co-operative but usually remain self employed.