

### Learning Outcome 3

*Analyse how the global co-operative movement is helping to change the world.*

### Performance Criteria Checklist

Evidence may be presented for individual Outcomes 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 Outcomes 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 6 pass, learners must satisfy *all* performance criteria.

#### Performance Criteria 3.2

*The learner has demonstrated knowledge and understanding of at least **four** of the Millennium Development goals* ☐

### Performance Criteria 3.3

*The learner has identified:*

At least **two** reasons why the co-operative sector, especially in developing countries, is an important element that can contribute to the achievement of the Millennium Development Goals.



### Performance Criteria 3.4

*The learner has:*

Explained the ways in which a particular type of co-operative is helping to achieve the objectives of **at least two** of the Millennium Development Goals.



*The learner has:*

Explained the ways in which **another** particular type of co-operative is helping to achieve the objectives of **at least two** of the Millennium Development Goals.



*The learner has:*

Explained the ways in which a final type of co-operative is helping to achieve the objectives of **at least two** of the Millennium Development Goals.



### Performance Criteria 3.5

*The learner has given:*

At least **three** examples of existing co-operatives in developing countries

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*The learner has:*

Explained the ways in which an existing co-operative in a developing country has contributed to the achievement of the Millennium Development Goals.

☐

*The learner has:*

Explained the ways in which another existing co-operative in a developing country has contributed to the achievement of the Millennium Development Goals.

☐

*The learner has:*

Explained the ways in which a final existing co-operative in a developing country has contributed to the achievement of the Millennium Development Goals.

☐

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, skills in the use of statistics and research.

Performance Criteria 3.3-3.5 lend themselves to the development of literacy skills, particularly reading a range of texts and drawing conclusions from written 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 3

*Analyse how the global co-operative movement is helping to change the world.*

### Instrument of Assessment

In order to assess your learning and attain a pass in **Performance Criteria 3.2-3.5**, you will be required to demonstrate Knowledge and Understanding of the ways in which the global co-operative movement is helping to change the world. This assessment will take the form of a Written or Oral Short Response Assessment.

Carefully read each question below and answer each question in turn, as fully as you can.

#### Question 1

Describe, in detail, at least four of the Millennium Development Goals.

**(8 Marks)**

#### Question 2

Give at least **two** reasons why the co-operative sector, especially in developing countries, is an important element that can contribute to the achievement of the Millennium Development Goals

**(4 Marks)**

### Question 3

- a) Explain the ways in which a particular type of co-operative is helping to achieve the objectives of at least **two** of the Millennium Development Goals.
- b) Explain the ways in which **another** particular type of co-operative is helping to achieve the objectives of at least **two** of the Millennium Development Goals.
- c) Explain the ways in which a final type of co-operative is helping to achieve the objectives of at least two of the Millennium Development Goals.

(12 Marks)

### Question 4

Give at least **three** examples of existing co-operatives in developing countries

(6 Marks)

### Question 5

Using your answers to Question 4:

- a) Explain the ways in which an existing co-operative in a developing country has contributed to the achievement of the Millennium Development Goals.
- b) Explain the ways in which **another** existing co-operative in a developing country has contributed to the achievement of the Millennium Development Goals.

- c) Explain the ways in which a **final** existing co-operative in a developing country has contributed to the achievement of the Millennium Development Goals.

**(12 Marks)**

**TOTAL MARKS 38**

In order to achieve a Level 6 pass in Performance Criteria 3.2-3.5, you must achieve a minimum of 19/38 marks.

Good luck!

### Learning Outcome 3

***Analyse how the global co-operative movement is helping to change the world.***

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#### 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 Outcomes 3.



### **Performance Criteria 3.2 – 3.5**

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

In order to achieve a Level 6 pass in Performance Criteria 3.2-3.5, learners must achieve a minimum of 19/38 marks.

### **Performance Criteria 3.2**

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

### **Question 1**

*Candidates are required to describe, in detail, at least **four** of the Millennium Development Goals.*

Two marks are allocated for **each** Millennium Development Goal described,

- One mark for the goal e.g. 'Eradicate extreme poverty and hunger'
- One mark for a more detailed description of its objectives

giving a total of **8 marks**

**Answers may include:**

Millennium Development Goal 1

Eradicate Extreme Poverty and Hunger

Reduce by half the proportion of people living on less than a dollar a day

Improve the 'Poverty gap ratio' [incidence x depth of poverty]

Focus on the share of poorest quintile in national consumption

**(2 Marks)**

Millennium Development Goal 2

Achieve Universal Primary Education

Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

**(2 Marks)**

Millennium Development Goal 3

PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education, no later than 2015.

**(2 Marks)**

Millennium Development Goal 4

Reduce Child Mortality

TARGET

Reduce by two thirds, between 1990 and 2015, the mortality rate of children under five.

**(2 Marks)**

Millennium Development Goal 5

Improve Maternal Health

Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.

Achieve, by 2015, universal access to reproductive health.

**(2 Marks)**

Millennium Development Goal 6

Combat HIV/AIDS, Malaria and Other Diseases

Halt and begin to reverse, by 2015, the spread of HIV/AIDS.

Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it.

Halt and begin to reverse, by 2015, the incidence of malaria and other major disease.

**(2 Marks)**

Millennium Development Goal 7

Ensure Environmental Sustainability

Integrate the principles of sustainable development into countries' policies and programmes and reverse the loss of environmental resources.

Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss.

Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation.

Achieve, by 2020, a significant improvement in the lives of at least 100 million slum dwellers.

**(2 Marks)**

Millennium Development Goal 8

Develop a Global Partnership for Development

Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.

Address the special needs of least developed countries, landlocked countries and small island developing states.

Deal comprehensively with developing countries' debt.

In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries.

In co-operation with the private sector, make available benefits of new technologies, especially ICT.

**(2 Marks)**

**(8 Marks Overall)**

### Performance Criteria 3.3

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

### Question 2

*Candidates are required to give at least **two** reasons **why** the co-operative sector, especially in developing countries, is an important element that can contribute to the achievement of the Millennium Development Goals*

Two marks are allocated per reason, giving a total of 4 marks.

#### **Answers may include:**

Co-operatives are designed to meet their members' needs.

Co-operatives have: voluntary and open membership; democratic member control; economic participation on the basis of membership rather than size of investment; autonomy and independence. Because they are member owned businesses they need to make a commitment to the education and training of their members, and because they share similar values, are expected to co-operate with each other. Finally, though they exist primarily for the benefit of their members, they also have responsibilities to the wider community. This contributes towards Millennium Development 8

**(2 Marks)**

MDGs are based on a set of fundamental values: freedom, equality, solidarity, tolerance, respect for nature, and shared responsibility.

This is very similar to the ICA's basic co-operative values of self-help, self-responsibility, democracy, equality, equity and solidarity, and of the ethical value of social responsibility.

**(2 Marks)**

Co-operatives can help raise people out of poverty, because they are essentially income-generating organisations.

Furthermore, because they return any surpluses to the members in the form of a patronage refund based on the use people have made of the co-operative, they make sure that growth is equitable. **(2 Marks)**

In every country with a significant co-operative sector, co-operative colleges have been founded to provide training for active members, employees and managers. Some have reached out again to make a wider contribution. Kobe Co-operative in Japan has built and manages several 'right livelihood' centres that offer a range of adult education and leisure activities. The Migros co-operative in Switzerland channels much of its profits into a 'community dividend' that provides adult education for its members. The Co-operative Group in the UK has for a long time been involved in promoting school co-operatives, but now it has gone further and is funding six specialist 'co-operative schools'. The Mondragon co-operatives have funded several schools that help to preserve the Basque language.

In developing countries, co-operatives have great potential in the field of literacy training for adults.

**(2 Marks)**

Everywhere that co-operatives have raised people's incomes, or provided decent work, or healthy housing, or good quality, unadulterated food, or the ability safely to save and borrow money, they have had a positive effect on the health of children and their mothers.

**(2 Marks)**

Co-operatives are a means by which people can gain micro-insurance against illness. This is particularly important in Latin America, in Senegal and in Burkina Faso.

They are also a means by which groups of health care providers can become more effective; pharmacy co-operatives in Ghana are notable and co-operative clinics in Benin. They are also a means of improving delivery of care specifically for AIDS sufferers. Already, there are co-operatives for HIV/AIDS sufferers in Kenya and South Africa.

**(2 Marks)**

**(4 Marks Overall)**

### Performance Criteria 3.4

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

### Question 3a-c

*Candidates are required to explain the ways in which **three** particular types of co-operative are helping to achieve the objectives of at least **two** of the Millennium Development Goals.*

Four marks are allocated from each area, giving a total of 12 marks.

**Answers may include:**

#### Retail/Consumer Co-operatives

There is one way in which co-operatives in the developed world are already helping, in a small way, to alter the relationship with developing countries: Fair Trade. The first to do this was the Italian Lega co-operative, which now has a range of 25 'solidal' products. Sales have been increasing constantly since the initiative began in 1996, with a turnover of 3.5 million Euros in 2002. The Co-operative Group leads the way in Fair Trade in the UK; its Fair Trade coffee and bananas are beginning to take a significant share of its sales, and the members of its area committees are active in promoting fair trade weeks in the stores. In a recent survey, 65 percent of people in Britain say they are ethical consumers, and 41 percent say they have bought organic or Fair Trade food recently. Clearly, this is becoming the main way in which co-operatives in the north can help co-operatives in the south, and at the same time give their own consumers the chance to show that they care.



The Swiss consumer co-operative, Migros, has gone even further. It has launched a Fair Trade line of children's clothes, linking up with farmers in Mali to produce organic cotton, and then sending the cotton to be made into finished goods from factories in India. This enables the farmers to improve their working conditions by avoiding the use of chemicals and to gain a better price by organizing in marketing co-operatives. It enables the workers in India to be protected as part of the terms of the contract with Migros.

This is a good example of co-operatives working towards Millennium Development Goals 1 and 8.

**(4 Marks)**

### Health Co-operatives

In Asia, it was estimated that in the year 2000, more than half a million people died of AIDS. This number was expected to reach 800,000 by 2005. In most Asian countries there are large numbers of co-operatives, with enormous numbers of members. The ICA's Asia and Pacific Region covers 22 countries, and 53 co-operative apex organisations with a combined total of 520 million members; there is a huge network of formal organisation on to which health care can be built.

In most Asian countries, co-operatives are providing health care services and health education programmes for their members. In India, there are 181 hospital co-operatives, and 50 co-operative education field projects providing family welfare and health awareness programmes. During 2002, these projects organised 372 health awareness programmes on HIV/AIDS for their members, from which more than 7000 people benefited.

Farmers' Fertiliser Co-operative organises regular health care programmes for farmers and their families, with free medical care and medicines, and insurance cover for personal accidents. The National Co-operative Union of India has established four co-operative education field projects for women, which have more than 10,000 members. They conduct monthly awareness workshops on health care, including classes on HIV/AIDS awareness.

This kind of health education input from co-operatives is expected to grow. The ICA has the capacity to reach over 760 million people, in nearly 100 countries. It envisages a 'systematic programme to raise awareness, encouraging co-operatives around the world to

address the HIV/AIDS pandemic within their own organizations and the communities they serve'.

The ICA's regional organisation, ICAROAP, has a specialised body, the Asia-Pacific Health Co-operative Organisation that has begun a project for prevention of the spread of HIV/AIDS among co-operative members, targeting particularly women and young people. This will extend current work in India to three countries, then to all countries with a high prevalence of HIV.

In addition to contributing to public health campaigns, co-operatives are a means by which people can gain micro-insurance against illness. This is particularly important in Latin America, in Senegal and in Burkina Faso.

They are also a means by which groups of health care providers can become more effective; pharmacy co-operatives in Ghana are notable and co-operative clinics in Benin. They are also a means of improving delivery of care specifically for AIDS sufferers. Already, there are co-operatives for HIV/AIDS sufferers in Kenya and South Africa. We can expect this sector to grow, and - in its worker co-operative form - to provide decent work for mainly women care worker members in a sector characterised by low wages and job insecurity.

This is a good example of co-operatives working towards Millennium Development Goals 1, 3, 6 and 8.

**(4 Marks)**

### Agricultural Co-operatives

Co-operatives have emerged as a critical rural development institution in Africa and Tanzania in particular. They have been the kingpins of development interventions aiming to alleviate poverty of the small-holder farmers spread out in the rural areas of Tanzania. The colonial governments promoted the formation of agricultural marketing co-operatives particularly for cash crops, mainly coffee, cotton and tobacco. The Nationalist post colonial government saw co-operatives as an important vehicle which could be harnessed to spread the benefits of development to a wide section of the Tanzanian population. This

was to be done by combining the energies of the farming community and the workers to feed, clothe house, and educate themselves and their children and generally better their economic and social lives.

In order to achieve economic independence co-operatives were expected to play a more dominant role in business as a means of reducing foreign domination.

The effects of the co-operatives were largely that they enabled the farmers to receive higher prices, provided a means of channeling power and influence to the larger farmers, allowing an emerging wealthy section of Africans farmers to exercise leadership in co-operatives and to challenge thereby the authority of traditional African Chiefs.

They also offered a way of involving African producers in general, and ambitious and educated Tanzanians in particular, in cash crop production, creating an avenue for upward mobility and political advancement.

In a very real sense the co-operatives contributed substantially to poverty reduction and therefore the achievement of Millennium Development Goal 1.

**(4 Marks)**

**(12 Marks Overall)**

### Performance Criteria 3.5

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

#### Question 4

*Candidates are required to give at least **three** examples of existing co-operatives in developing countries*

Two marks are allocated for each example given, giving a total of 6 marks.

**Answers may include:**

Co-operative Milk Producer's Union, Bangladesh

**(2 Marks)**

Tribal People's Co-operatives, Oriss, India

**(2 Marks)**

The Uganda Show-Shiners Co-operative, Uganda.

**(2 Marks)**

**(6 Marks)**

### Question 5

*Candidates are required to explain the ways in which **three** existing co-operatives in **three** developing countries have contributed to the achievement of the Millennium Development Goals.*

Four marks are allocated for each example, giving a total of 12 marks.

**Answers may include:**

#### Co-operative Milk Producer's Union, Bangladesh

##### Goal 1

Target 1: Halve the proportion of people whose income is less than one dollar a day

Target 2: Halve the proportion of people who suffer from hunger

##### Goal 3: Promote gender equality and empower women

Bangladesh is a country of small farmers, who are mostly living on or below the poverty line, and who are subject to the risk of flooding by the rivers and deltas that punctuate the country's low-lying but fertile flood plains. There are high levels of deprivation, but things are improving: income poverty has declined from 58 percent of the population in 1983 to just under 50 percent in 2000. One reason for the increase in incomes is the success of dairy co-operatives.

Milk production provides a daily product that can find a ready market, and there is the added advantage that the farmers' families can also consume some of the milk, thereby contributing to the health of their children.

Shortly after independence in 1974, the government set up the Bangladesh Co-operative Milk Producers' Union, as part of its Co-operative Dairy Development Programme, with financial and technical help from UNDP and FAO, and grants in kind from the Danish aid agency, DANIDA.

Known by its brand name 'Milk Vita', the co-operative broke the buyers' monopoly, and substantially expanded milk production in North East Bangladesh. It became Bangladesh's leading supplier of fresh milk and dairy products such as butter and yoghurt to the capital city, Dhaka. While at both ends of the production chain, farming and urban milk distribution, it set up co-operatives, the company itself was run by civil servants. The dumping of imported powdered milk affected the market adversely, and Milk Vita was making a loss and in constant need of subsidy.

In 1991 the government withdrew, leaving the Union to be run by an independent board of directors, elected mainly by the 390 village primary milk co-operative societies, and by a newly appointed group of professional managers. The transition to a genuine farmer-owned co-operative was a difficult one, but it was made easier by an ongoing commitment to management training and technical help from the FAO, with continued funding from DANIDA. Soon Milk Vita was in profit. A move to a more commercial business approach helped, along with a higher throughput of milk and a steep decline in the import of powdered milk. From a modest start with a membership of only 4,300 very poor, landless households, it has become a 'successful commercial dairy enterprise'.

In 1998, 40,000 farmer members earned a total of US\$9.3m from sale of 30 million litres of milk.

In 2000, dividends paid to producers totalled US\$1.5m. Milk Vita is planning to expand into four new areas of Bangladesh where traditional small-scale milk production still prevails.

**The evidence for poverty reduction is compelling. Farmers' earnings have increased ten-fold, lifting the household earnings of around 300,000 people (including family members) to well above the poverty line. The returns from farming are reliable and constant. Furthermore, in many households the income from milk production is managed by the women, and so has a direct impact on food security and nutrition.**

**Savings generated from the milk sales help to cushion households against flooding, and 2,200 employment opportunities have been created in the urban areas from milk distribution. In addition, urban consumers benefit from safe, pasteurized milk products.**

**(4 Marks)**

Tribal People's Co-operatives, Oriss, India

Goal 1

Target 1: Halve the proportion of people whose income is less than one dollar a day

Goal 3

Promote gender equality and empower women

Goal 7

Target 9: reverse the loss of environmental resources

In the 1991 census, India had nearly 69 million people (8% of the total population) belonging to 533 tribes. Their welfare depends largely on the performance of the co-operatives set up especially for them by state governments.

In the state of Orissa, 22 per cent of the population are tribal. They are the most disadvantaged of the 50 per cent of the rural population who live below the poverty line.

They are marginal farmers with an average of only one or two hectares of land per household, with mono-cropping of paddy fields, supplemented by the gathering of minor forest products. They face crop failures caused by uncertain rainfall, ecological degradation of the forests, and deforestation. Most of the tribal people are illiterate, many are landless, and are exploited by outside moneylenders. They live in what an ILO report calls an 'evil circle of economic and social marginalization'.

Tribal women are particularly marginalized. A survey found that they work harder and over longer hours than men; alcoholism is a problem among men and they are often absent from their daily work. In addition, while the level of education is generally low, that of women and girls is particularly neglected. Furthermore, widespread indebtedness has 'weakened the economic backbone of the people'.

Government agencies and non-governmental organizations have little contact with these communities. Ownership and tenure of public forests remains unclear. The area is rich in materials providing opportunities for the growth of cottage industries, but because of a lack of skills, education and economic organization they have not been fully exploited. Against this context, pilot projects were set up by ILO INDISCO with its NGO partner, SSADRI, focusing initially on ten villages, with a total population of over 3,000 people. In the second phase of the project, a further 30 villages were added, bringing the total to 40 villages, with more than 10,000 people in some 2200 tribal households. They piloted a participatory approach in one village. Then they expanded it, holding meetings in the villages to identify the people's needs, and undertaking comprehensive, fact-finding surveys. The focus was on income-generation for women. Self-help groups (called mahila mandal) were formed in each village, organized by the women. They received training and started making leaf cups and plates for sale. This led on to electrification, setting up of work sheds, and installation of machines. Then training courses were held to extend into silkworm rearing, weaving and marketing. The project then moved on to longer-term investments such as a typing course and training in tailoring.

While these activities found popularity among the women, more generally the tribal people have preferred to concentrate on their traditional strengths in horticultural production, diversifying into growing a new, fast-growing variety of banana, a high-yielding variety of papaya, and so on. There is great income potential in such diversification, but it excludes the landless, and so non-agricultural forms of employment also have to be found. In these ways, so far 2010 jobs have been created. The key to sustainability was a revolving loan fund, but funding constraints meant that the second and third year's funds could not be released. The villages involved in the first phase of the project pooled their resources with those in the second phase, and some other sources of funding were found

Eventually, the fund reached 46 per cent of the total population. This enabled rope-makers to buy in more raw materials and thus boost their output, and enabled investment in other industries such as vegetable cultivation, the garment industry, and animal husbandry. Individuals were able to start businesses such as grocery, cycle repair, and



bee-keeping. The extra income generated then led to increased spending on schooling and medicines. Encouraged by the low default rate on loans from the revolving fund, local banks are now lending to villagers in the normal way. The project demonstrated that 'self-help groups and co-operative structures provide a strong organizational basis for conducting income generation'.

The key to success was the training of village support workers who are also ethnically tribal and their daily support of village-level institutions. 46 women's groups were in process of formalising themselves as six primary producer and 40 savings and credit co-operatives. An apex co-operative, the Multi-purpose Labour Co-operative Society was being set up to provide them with support. The new parallel law adopted by Orissa State promoting self-supporting co-operatives, facilitates such a move, as it rules out state control for co-operatives that are self-financing. This is the first such initiative in a tribal region of the state, and it has evoked much interest. All of this shows a willingness on the part of the development NGO to commit staff time and resources over a long period. Using a consistent participatory approach, they also were able to pace themselves to the speed of change that the villagers themselves were able to cope with. Underlying the project was a commitment to listening to the views of the people, taking them seriously, and providing training and support for those projects that the people themselves felt able to undertake. Participatory self-evaluations enabled the villagers to help measure progress and identify impediments to action. In order to strengthen the organizational base, the project intensified its training of both staff and villagers. The aim of all this 'capacity building' is to help the village organisations to stand on their own, and to negotiate directly with government agencies. The involvement of women from the beginning has strengthened the whole process. The improved links with government have enabled improvements in education and health care. In all ten villages, literacy centres have been established for both children and adults. Ninety health camps have been organised in association with local government public health centres, to teach basic health care issues. There is a role here for traditional development aid; the World Food Programme (WFP) funded a discrete project to bring nearly 200 acres of wasteland into sabai grass cultivation, and invested in the construction of multipurpose buildings in three villages.

This shows that there is nothing wrong with the provision of aid, providing it meets the priorities of the people in need and that the development of indigenous institutions is given first priority.

The sal trees that grow in the forest and the sabai grass that grows on wasteland are valuable local assets. The local forest department helped develop awareness of the need for conservation. The forest is no longer being burnt and new sal trees are growing. In fortnightly meetings between the village organisations, members of the apex co-operative and the youth groups, discussions were held on a range of environmental issues such as how to stop soil erosion, water harvesting and conservation, forestation, and so on. Young people formed groups to catch 'free riders' who cut the valuable sal trees to sell to outsiders. But future sustainability will depend on the government granting clearer and firmer rights over the land and its natural products.

In a modest way, this case is obviously helping to eradicate extreme poverty, empower women, and ensure environmental sustainability.

**(4 Marks)**

The Uganda Shoe-Shiners Co-operative, Uganda.

**(4 Marks)**

Goal 1

Target 1: Halve the proportion of people whose income is less than one dollar a day.

Goal 7

Target 11: By 2020 to have achieved a significant improvement in the lives of at least 100 million slum dwellers.

In developing countries this type of co-operative is found among handicraft workers in Africa and handloom weavers in India. Here is a good example of this kind of shared service co-operative set up by some very poor people. In 1975, five people working as shoe-shiners in the capital of Uganda, Kampala, decided to form the Uganda Shoe-shiners Co-

operative Savings and Credit Society Ltd. Their main aim was to have 'one common voice of advocacy' to defend their interests against government authorities.

At that time there was a military government and co-operatives were registered under an act that gave government direct control over them. In order to operate freely, the co-operative remained unofficial until 1989, when they decided to register formally. There were several reasons for this; there was a new political and economic climate favourable to civil society organizations; informality had been looked upon by suspicion by the wider population as an excuse for dishonesty; there was an immediate need to represent informal traders against the Kampala City Council, which at that time was trying to restrict their activities.

The early history of the co-operative cannot easily be told, because its informal nature means that no records are available. What can be said is that, given the political instability and lack of support for civil society institutions, this informality was a strength rather than a weakness.

Formalization led, in 1994, to the creation of a new organizational structure with an executive committee responsible to a general assembly, supervising three subcommittees, and regulated by the 1991 Co-operatives Act. It exercised the 'co-operation between co-operatives' principle by investing in the Uganda Co-operative Alliance and the Uganda Co-operative Savings and Credit Union, thereby gaining access for its members to co-operative training programmes.

The co-operative tried hard to expand its range of business activities and member services. As well as providing a savings and credit service, it attempted to market shoe polish and brushes, to rent kits and to invest in new activities such as public transport and real estate. However, as one commentator sums up, 'the majority of these projects failed due to lack of financial resources'.

In 1996 women were allowed into membership. In 1999 the co-operative changed its name to the Uganda Shoe-shiners Industrial Co-operative Society Ltd. At the time of an ILO study in 2000, it was reported to have 370 members divided into two categories: 124 full members and 246 'part-timers' who paid a reduced membership share and did not participate in every aspect of the co-operative's activities but were able to use its name.

Women made up only five per cent of the members. By 2003, with technical and financial assistance from government and a local NGO (Poverty-Uganda), the membership had increased to 627 members and it had expanded into other districts outside Kampala.

The business plan of the Society aims, by 2017, to cover all the 56 districts of Uganda. Poverty-Uganda is helping with mobilisation of members, training on how to improve their business and the establishment of new projects, alongside the main activity of shoe-shining, such as savings and credit, shoe brush making and housing projects. Other companies have also strengthened their relationship with the society: the KIWI Shoe Polish Company supplies polish, while Bata Shoes is an outlet for the shoe-brushes made by members. The savings and credit programme has assisted members to save from their small incomes, to obtain credit to improve their service delivery and to start other income-generating activities. The shoe-brush making project has expanded from an output of 20 per day to 50, and it now contributes 40 percent of the Society's revenue. With better marketing, they hope to increase this to 70 percent. The housing project is at a standstill, owing to low incomes, but with support it may be resumed in a bid to help members improve their living conditions.

**(12 Marks)**

**TOTAL MARKS 38**

In order to achieve a Level 6 pass in Performance Criteria 3.2-3.5, learners must achieve a minimum of 19/38 marks.

**[END OF MARKING INSTRUCTIONS]**