



EUROPEAN TOOLKIT FOR STARTING UP COOPERATIVES AND SOCIAL ENTERPRISES IN RURAL AREAS

Authors:

Elena Badeanschi (Federazione Trentina Della Cooperazione, Italy)
Cristina Barna, Ștefania Andersen, Irina Opincaru (Civil Society
Development Foundation, Romania)
Cynthia Lynn Giagnocavo (University of Almeria, Spain)
Kristina Berneholm, Maria Henriksson (Coompanion Kooperativ Utveckling
Skaraborg, Sweden)

More information on the project *New Crops – Social entrepreneurship to
create new opportunities for socially excluded in rural* areas can be found
at www.ies.org.ro/erasmus.

Table of Contents

Introduction.....	4
Purpose of the Toolkit.....	5
Target Group.....	6
Structure of the Toolkit.....	6
1. DESIGNING OF WORKING SESSION.....	7
2. METHODOLOGY.....	8
3. DIDACTIC MATERIALS.....	21
4. EVALUATION.....	120
5. COOPERATIVE TRAINING MOBILITY IN EUROPE – HOW TO USE THE EUROPEAN FRAMEWORK OF ECVET.....	121

Introduction

This toolkit is developed in the framework of Erasmus+ project *New Crops*, implemented during September 2014 - August 2017 by the Civil Society Development Foundation (Romania) in partnership with Federazione Trentina della Cooperazione (Italy), University of Almería (Spain), COEXPHAL Association of F&V Producer Organisations of Almería – (Spain) and Coompanion Kooperativ Utveckling Skaraborg (Sweden).

The purpose orienting *New Crops* project has been to provide trainers and managers to be of start-up groups of coops and social enterprises with the knowledge and skills necessary to establish and run successful organizations/ social businesses that deliver economic and social results to their members and generate work opportunities in rural areas. For this reason, the partnership designed innovative methodologies of learning in this working sector where traditional competences should be supplemented with a deep participatory approach, an ethical outlook and a keen innovation spirit. Specifically, the project looked to:

1. Design and develop innovative training and coaching materials for start-up and management of social enterprises and coops in rural areas adequate to rural economically marginalised groups, including subsistence and semi subsistence farmers;
2. Develop capacity of training organisations involved in adult education and their staff, by providing them adequate tools for quality support to those wishing to establish coops and social enterprises or improve the management of these enterprises;
3. Develop alternative learning approaches that facilitate inclusion of marginalised citizens into entrepreneurship training activities including new media based training to widen access to adult learning.

Purpose of the Toolkit

The toolkit aims to provide a common reference framework and related criteria for the implementation of training programmes focused on developing competences needed for managing or starting up a cooperative in different economic sectors, such as: social and labour cooperatives, consumer cooperatives, farmers cooperatives, credit bank cooperatives.

The toolkit will support the achievement of Learning Outcomes referring to the **professional standards for the board member of cooperatives**, as defined in the framework of the European Coop Campus project (<http://www.coopcampus.eu>). One of the most important results of the above mentioned project is a set of materials focused on the main components of the designing process that refer to the profile of co-operative elected members (board members or those who present their candidacy for board roles and therefore require training)¹.

In terms of occupational standards, the competences needed for starting-up a coop or managing a coop are coherent with the **entrepreneurship competences** defined in EU EntreComp framework as: members are owners of their cooperatives so they are also entrepreneurs consequently with a job. EntreComp is made up by the 3 competence areas and 15 competences²: 1. *Ideas and opportunities* (1.1 Spotting opportunities; 1.2 Creativity; 1.3. Vision; 1.4 Valuing ideas; 1.5 Ethical and sustainable thinking); 2. *Resources* (2.1 Self-awareness and self-efficacy; 2.2 Motivation and perseverance; 2.3 Mobilizing resources; 2.4 Financial and economic literacy; 2.5. Mobilizing others); 3. *Into action* (3.1 Taking the initiative, 3.2 Planning and management, 3.3 Coping with uncertainty, ambiguity and risk, 3.4 Working with others, 3.5. Learning through experience).

¹ Job profile of the cooperative elected member and the Scheme of qualification for cooperative group board member are available online on project's website: <http://www.coopcampus.eu/Results/Work-Package-3-Designing-process/English/D.3.1.-Job-profile-description>

² More info about EU EntreComp framework are available online: <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/entrecomp-entrepreneurship-competence-framework>

Target Group

Trainers, advisers and facilitators working with starting up and developing cooperatives and social enterprises, lecturers in social economy field.

Structure of the Toolkit

1. Designing of working session - *includes a general description of main aspects for the trainers to consider when preparing the design of a session. Since there are no particular requirements, the section includes a brief summary*
2. Methodology for implementing the programme and the use of the didactic material - *for easy reference, the training materials have been grouped under specific Titles and Activities, each of them being supported by relevant reading materials. This section of the toolkit includes methodological notes on how each of the materials should be used, in order to reach the learning outcomes as they are defined within the didactic materials.*
3. Didactic materials - *the training materials developed have been grouped under specific Titles, each of them being structured so that to have an introductory descriptive note, the specific topics addressed, the envisaged learning outcomes and the supporting materials needed for a training session. These latter ones include specific working sheets grouped on activities, reading materials grouped under specific files and also summarised case studies and best practices developed within the New Crops project. The complete case studies and best practices are available online at www.ies.org.ro/erasmus.*
4. Evaluation of the training session tools - *proposes a formal approach to the evaluation of a learning event. Apart from it, each of the learning sessions described in the methodology includes a significant part where participants are highly involved in assessing and providing feedback on the topics discussed and the learning process itself.*
5. ECVET and Learning Outcomes in mobility - *it briefly describes the ECVET framework and the tools previously developed and which represented also a base for the work within the New Crops project.*

The content and tools presented in the toolkit are widely based on the experiences and expertise of the partners in the project (from Italy, Spain, Sweden and Romania), combined with the learning materials resulting from the 40 best practices and 16 case studies identified and analysed as part of the project. From the initial stage, case studies have been built as learning tools and can be extensively used in learning sessions and at the same time support the documentation and recognition of learning outcomes achieved abroad, learning from others' experiences.

1. DESIGNING OF WORKING SESSION

When designing a training session, trainers have to take into account the following aspects:

- Room Layout especially for workshop and laboratorial training activities
- Group size
E.g. The size of the group should be between 6 and 12 learners. If there are less, there is little chance to share experience and good practice and the timings of the activities will be reduced. Any more discussions will have to be cut short to allow everyone to participate. This means that a lot of sharing experiences and good practices will be lost.
- Equipment - *E.g. Flipcharts, PC, Video etc*
- Aims of the module
E.g. the Aim of the Module titled XXX: To increase participants' understanding of why co-operatives are a different kind of business and identify ways of bringing our Cooperative Values and Principles to life.
- Learning outcomes - are there measurable or observable results expected and sought from the learning event.
- Duration of the training session
- Welcome and introduction of the training session
E.g. the facilitator has to explain how the session will be implemented, logistic information (toilet, emergency exit, coffee break, etc.)
- Learner's presentations and icebreakers
- Icebreakers help people to relax and become receptive to learning. Here are some ideas to help you. Take into account the time needed when designing the training session

- *Having people work in pairs and introduce each other by name, job, learning outcomes and something unusual about themselves.*
 - *Having people describe their most unusual training or learning experience.*
- Discussion and agreement on the learning outcomes and expectations of the training session

2. METHODOLOGY

Contents

Part 1: START-UP AND MANAGEMENT OF SOCIAL ENTERPRISES AND COOPERATIVES	10
Title 1: Why do people create social enterprises?	10
<i>Activity 1.1. Why do people create social enterprises?</i>	10
<i>Activity 1.2. What are the features of a social enterprise?</i>	10
<i>Activity 1.3. What is the mission of your social enterprise?</i>	10
Title 2: What is social economy? Actors of social economy	11
<i>Activity 2.1. What are the actors of social economy?</i>	11
<i>Activity 2.2. Comparative analysis of types of social economy actors in Romania, Spain, Italy and Sweden</i>	11
Title 3: Stakeholders of social enterprise	12
<i>Activity 3.1 Stakeholders analysis</i>	12
Title 4: Planning your social enterprise start - up	12
<i>Activity 4.1 How to plan your social enterprise start up using Gantt Chart</i>	12
<i>Activity 4.2 How to set up a cooperative using Opera Method</i>	12
Part 2: SOCIAL/LABOUR COOPERATIVES	13
Title 1. Choosing to establish a cooperative instead of another form of enterprise?	13
<i>Activity 1.1 – What is a cooperative?</i>	14
<i>Activity 1.2 What are cooperative values and principles?</i>	14
<i>Activity 1.3. What are the differences between cooperative values and principles?</i>	15
<i>Activity 1.4. What are the differences between cooperatives and other forms of enterprise</i>	15

Part 3: CONSUMER COOPERATIVES	15
Title 1: Members in consumer cooperative	15
<i>Activity 1.1</i> Why cooperatives need members	16
<i>Activity 1.2</i> Members in different coop organizations	16
<i>Activity 1.3</i> Advantages of being a coop member	16
<i>Activity 1.4</i> Members' duties and rights	16
Part 4: CREDIT BANK COOPERATIVES	17
Title 1: Managing credit bank cooperatives	17
<i>Activity 1.1</i> Governing bodies	17
<i>Activity 1.2</i> Interaction between the different governing bodies	17
<i>Activity 1.3</i> Mission and Vision	18
<i>Activity 1.4</i> Turning vision into reality	18
Part 5: FARMERS OR AGRICULTURAL COOPERATIVES	18
Title 1: Members in agricultural cooperatives	18
<i>Activity 1.1</i> Background to membership: Cooperative Principles	18
<i>Activity 1.2</i> The reasons why farmers may be agricultural cooperative members	19
<i>Activity 1.3</i> Member in different organisations	19
<i>Activity 1.4</i> Benefits of becoming a member in a / your agricultural cooperative	19
Title 2: Cooperative Management: Overall Planning, Controlling, Organising, Communicating and Decision-Making	20
<i>Activity 2.1</i> Differences of interests amongst the members, or groups of members, of your cooperative and the need of communication procedures	20
<i>Activity 2.2</i> Feedback and evaluation procedures for cooperative managers	20

Part 1: START-UP AND MANAGEMENT OF SOCIAL ENTERPRISES AND COOPERATIVES

Title 1: Why do people create social enterprises?

Activity 1.1 Why do people create social enterprises?

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.1 and pens
- Ask them to analyse the case studies Caprina de Almeria SCA (Spain), La Coccinella (Italy), Qvinnovindar (Sweden) and identify the required issues
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (make the link with the fact social enterprises are created by groups of people)
- Allow 5 minutes for each group for feedback

Activity 1.2 What are the features of a social enterprise?

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.2 and pens
- Give each group the EMES - European Research Network: The features of social enterprises, explaining the features and highlighting the duality of social enterprise - economic and social
- Ask them to analyse the case studies Caprina de Almeria SCA (Spain), La Coccinella (Italy), Qvinnovindar (Sweden) and identify the required issues
- Allow 15 minutes for this activity
- Allow 5 minutes for each group for feedback

Activity 1.3 What is the mission of your social enterprise?

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.3 and pens
- Introduce the concept of social mission, making the link with the values of social enterprise
- Ask groups to think of a social enterprise they want to establish, beginning from the problem they want to solve

- After this, each group is asked to formulate the mission of the social enterprise following the 4 questions from the worksheet and minimum 3 values for their social enterprise.
- Allow 15 minutes for this activity
- Allow 5 minutes for each group for feedback
- Explain the groups the importance of the social mission.

COFFEE - BREAK

Title 2: What is social economy? Actors of social economy

Activity 2.1 What are the actors of social economy?

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 2.1 and pens.
- Give each group EMES definition of social economy and CIRIEC definition of social economy
- Ask them to analyse the definitions of social economy and to identify who are the actors of social economy, trying to find some examples of such entities from the real life.
- Allow 15 minutes for this activity
- Allow 5 minutes for each group for feedback
- Conclude with the main actors of social economy.

Activity 2.2 Comparative analysis of types of social economy actors in Romania, Spain, Italy and Sweden

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 2.2 and pens.
- Give each group File B: Social economy actors. Legal forms in Romania, Spain, Italy, Sweden
- Ask them to compare and analyze the social economy actors from Romania, Spain, Italy and Sweden. Identify and discuss major similarities and differences
- Allow 30 minutes for this activity
- Allow 5 minutes for each group for feedback
- Conclude with the main actors of social economy.

COFFEE - BREAK

Title 3: Stakeholders of social enterprise

Activity 3.1 Stakeholders analysis

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 3.1 and pens.
- Introduce part regarding stakeholders of social enterprise.
- Ask them to analyse the case studies 1 - S.A.D. Società Cooperativa Sociale (Italy) and 2 - BioSabor SAT (Spain) and to identify the required issues.
- Allow 15 minutes for this activity.
- Allow 5 minutes for each group for feedback
- Conclude with the imperative of reflecting the needs of the main stakeholders in business policies and procedures of the social enterprise.

Title 4: Planning your social enterprise start - up

Activity 4.1 How to plan your social enterprise start up using Gantt Chart

- Divide the participants into small groups (max 6 persons)
- Allow each group to create own worksheet 4.1 on big flipchart piece of papers and give them pens of different colours.
- Give each group Gantt Chart Model, explaining the importance of operational plan.
- Allow 40 minutes for this activity.
- Allow 5 minutes for each group for feedback
- Conclude with the logical flow in operational planning and make the link with business planning.

COFFEE - BREAK

Activity 4.2 How to set up a cooperative using Opera Method

- Introduce OPERA Method to participants.
- Give each person the worksheet 4.2.1 and pens.
- Each person answers the questions by themselves, allow 5 minutes for each question.
- Divide the participants into small groups (max 6 persons).
- Ask participants to discuss in their groups, allow 10 minutes for each question.

- Each group present common answers, allow 10-15 minutes for each group.
- Give each person the worksheet 4.2.2 and pens.
- Each person answers the questions by themselves, allow 5 minutes for each question.
- Divide the participants into small groups (max 6 persons).
- Ask participants to discuss in their groups, allow 10 minutes for each question.
- Each group present common answers, allow 10-15 minutes each.

COFFEE - BREAK

- Give each person the worksheet 4.2.3 and pens.
- Each person answers the questions by themselves, allow 5 minutes for each question.
- Divide the participants into small groups (max 6 persons).
- Ask participants to discuss in their groups, allow 10 minutes for each question.
- Each group present common answers, allow 10-15 minutes for each group.

Estimated time: 3 hours (2 working sessions)

CLOSE

Part 2: SOCIAL/LABOUR COOPERATIVES

Title 1: Choosing to establish a cooperative instead of another form of enterprise?

Activity 1.1 What is a cooperative?

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.1 and pens.
- Give each group the ICA definition of a cooperative and explain it, focusing on the main concepts as follows:
 - **Autonomy** - in order to point out that cooperatives are independent of government. Often they are perceived as being companies controlled by government rather than supported by government;

- **Association of persons united voluntarily** – cooperatives are made up of people who come together because they subscribe to the cooperative ethics and ideals;
- **Jointly owned and democratically controlled** – one of the main facts that distinguish them from other forms of enterprises.
- Ask them to analyse the case studies no. 1 Risto 3, no. 2 SAD, no. 3 Gruppo 78 and identify the concepts explained above
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback

Activity 1.2 What are cooperative values and principles?

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.2. and pens.
- Give each group the ICA definition of cooperative values and principles (supporting material A) and explain them.
- Ask participants to discuss in their groups and identify examples of implementation of each value and principle in the case studies no. 3 Risto 3, n 4 SAD, n 5 Gruppo 78
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback

Activity 1.3 What are the differences between cooperative values and principles?

- Give each group the worksheet 1.3. and pens
- Ask participants to discuss in their groups and explain how they would implement the cooperative values and principles in their future social/labour cooperative.
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback
- Explain that principles are the guidelines by which we put our values into action. Principles may change over time.

COFFEE BREAK

Activity 1.4 What are the differences between cooperatives and other forms of enterprise

- Give each group the worksheet 1.4. and pens
- Ask participants to discuss in their groups and give examples of what they think are the main differences between cooperatives and other forms of enterprise
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback
- Give them the supporting material B
- Compare their feedback with the information included in the supporting material B
- Allow 15 minutes for further comments
- Advise the participants that this is the last activity of the training session. Summarise the main points of the workshop and ask if there are any further questions.
- Ensure that you have met both the stated learning outcomes and the participants' personal learning outcomes. Thank the participants for their involvement in making the workshop a success.
- Give participants the evaluation form of the session and ask the participants to complete it. Allow 5 minutes for this activity

CLOSE

Part 3: CONSUMER COOPERATIVES

Title 1: Members in consumer cooperative

Activity 1.1 Why cooperatives need members

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.1 and pens.
- Give background to membership material to help remember what a coop is and the values and principles.
- Ask participants to discuss in their groups why they think a coop needs members and to list the reasons.

- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback

Activity 1.2 Members in different coop organizations

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.2 and pens.
- Ask participants to compare membership of a consumer coop with other organizations.
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback

Activity 1.3 Advantages of being a coop member

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.3 and pens.
- Ask participants to discuss in their groups the benefits people receive on becoming a coop member.
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback

COFFEE BREAK

Activity 1.4 Members' duties and rights

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.4 and pens.
- Ask participants to discuss and list in their groups what they think the members' duties and rights are.
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback
- Compare their feedback with the information included in the supporting material C and D

- Advise the participants that this is the last activity of the training session. Summarise the main points of the workshop and ask if there are any further questions.
- Ensure that you have met both the stated learning outcomes and the participants' personal learning outcomes. Thank the participants for their involvement in making the workshop a success.
- Give participants the evaluation form of the session and ask the participants to complete it. Allow 5 minutes for this activity

CLOSE

Part 4: CREDIT BANK COOPERATIVES

Title 1: Managing credit bank cooperatives

Activity 1.1 Governing bodies

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.1 and pens.
- Ask participants to discuss and describe how the governing bodies are represented in their coops.
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback

Activity 1.2 Interaction between the different governing bodies

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.2 and pens.
- Ask participants to draw the structure of the credit coop and then discuss the interaction between the different governing bodies.
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback
- Give them the supporting material in File E
- Compare their feedback with the information included in the supporting material File D (included in Part 3-Consumer cooperatives)

COFFEE BREAK

Activity 1.3 Mission and Vision

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.3 and pens.
- Ask participants to discuss and answer the questions in the worksheet.
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback

Activity 1.4 Turning vision into reality

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.4 and pens.
- Ask participants to discuss and answer the questions in the worksheet.
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback
- Advise the participants that this is the last activity of the training session. Summarise the main points of the workshop and ask if there are any further questions.
- Ensure that you have met both the stated learning outcomes and the participants' personal learning outcomes. Thank the participants for their involvement in making the workshop a success.
- Give participants the evaluation form of the session and ask the participants to complete it. Allow 5 minutes for this activity

CLOSE

Part 5. FARMERS OR AGRICULTURAL COOPERATIVES

Title 1: Members in agricultural cooperatives

Activity 1.1 Background to membership: Cooperative Principles

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.1 and pens.
- Introduce ICA definition of coop and the streamlined approach created by Dunn
- Ask participants to discuss and answer the questions in the worksheet.

- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback

Activity 1.2 The reasons why farmers may be agricultural cooperative members

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.2 and pens.
- Give the groups “Best Practices” and “Case Studies”: Vicasol - Spain, Agraria Riva del Garda - Italy, Lunca Somesului Coop - Romania
- Ask participants to discuss and answer the questions in the worksheet
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback
- Conclude with the main the reasons why farmers may be agricultural cooperative members

Activity 1.3 Member in different organisations

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.3 and pens.
- Ask participants to discuss and answer the questions in the worksheet.
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback

COFFEE - BREAK

Activity 1.4 Benefits of becoming a member in a /your agricultural cooperative

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.3 and pens.
- Ask participants to discuss and answer the questions in the worksheet.
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)

- Allow 5 minutes for each group for feedback

Title 2: Cooperative Management - Overall Planning, Controlling, Organising, Communicating and Decision-Making

Activity 2.1 Differences of interests amongst the members, or groups of members, of your cooperative and the need of communication procedures

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.2 and pens.
- Give the groups case studies Coop Agricola San Isidro Casi (Spain) and AgroIris (Spain)
- Ask participants to discuss and answer the questions in the worksheet
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback
- Conclude with the main the reasons why farmers may be agricultural cooperative members

Activity 2.2 Feedback and evaluation procedures for cooperative managers

- Divide the participants into small groups (max 6 persons)
- Give each group the worksheet 1.2 and pens.
- Ask participants to discuss and answer the questions in the worksheet
- Allow 15 minutes for this activity
- Observe the group work and the behaviour to point out when they are not so collaborative (and therefore cooperative)
- Allow 5 minutes for each group for feedback
- Conclude with the main the reasons why farmers may be agricultural cooperative members

CLOSE

3. DIDACTIC MATERIALS

Part1: START-UP AND MANAGEMENT OF SOCIAL ENTERPRISES AND COOPERATIVES **23**

Title 1: Why do people create social enterprises?	23
<i>Activity 1.1.</i> Why do people create social enterprises?	24
<i>Activity 1.2.</i> What are the features of a social enterprise?	24
<i>Activity 1.3.</i> What is the mission of your social enterprise?	25
Title 2: What is social economy? Actors of social economy	40
<i>Activity 2.1.</i> What are the actors of social economy?	40
<i>Activity 2.2.</i> Comparative analysis of types of social economy actors in Romania, Spain, Italy and Sweden	41
Title 3: Stakeholders of social enterprise	50
<i>Activity 3.1</i> Stakeholders analysis	51
Title 4: Planning your social enterprise start - up	61
<i>Activity 4.1</i> How to plan your social enterprise start up using Gantt Chart	61
<i>Activity 4.2</i> How to set up a cooperative using Opera Method	63

Part 2: SOCIAL/LABOUR COOPERATIVES **71**

Title 1: Choosing to establish a coop instead of another form of enterprise?	71
<i>Activity 1.1.</i> What is a cooperative?	72
<i>Activity 1.2.</i> What are the cooperative values and principles?	72
Activity 1.3 What are the differences between cooperative values and principles?	74
Activity 1.4 Main differences between cooperative and other forms of enterprise	74

Part 3: CONSUMER COOPERATIVES **89**

Title 1: Members in consumer cooperatives	89
Activity 1.1 Why cooperatives need members	90
Activity 1.2 Members in different organizations	90
Activity 1.3 Advantages of being members	91
Activity 1.4 Members duties and rights	91

Part 4: CREDIT BANK COOPERATIVES **95**

Title 1: Managing credit bank cooperatives	95
Activity 1.1 Governing bodies	96
Activity 1.2 Interaction between the different governing bodies	96

Activity 1.3 Vision	97
Activity 1.4 Turning vision into reality	97
Part 5. FARMERS OR AGRICULTURAL COOPERATIVES	102
Title 1: Members in agricultural cooperatives	102
Activity 1.1 Background to membership: Cooperative Principles	103
Activity 1.2 The reasons why farmers may be agricultural cooperative members	103
Activity 1.3 Member in different organisations	103
Activity 1.4 Benefits of becoming a member in a / your agricultural cooperative	104
Title 2: Cooperative Management: Overall Planning, Controlling, Organising, Communicating and Decision-Making	109
Activity 2.1 Differences of interests amongst the members, or groups of members, of your cooperative and the need of communication procedures	109
Activity 2.2 Feedback and evaluation procedures for cooperative managers	110

Part 1: START-UP AND MANAGEMENT OF SOCIAL ENTERPRISES AND COOPERATIVES

Title 1: Why do people create social enterprises?

Short description

Social enterprises emerge and develop in response to a social or economic need (lack of employment, lack of markets, lack of access to credit, etc.) of a group or a community, needs to which other sectors of economy (public sector and capitalist economic sector) fail to respond. Social enterprises can fill the free space left by other sectors, identifying a market opportunity as an answer to a social need.

Topics:

- Common interest / social or economic need - base of social enterprise creation
- Defining features of social enterprises - social and economic
- Social enterprise definition
- Social mission

Learning outcomes

- Understanding how social enterprises emerge as a different kind of business
- Understanding the two dimensions of a social enterprise - social and economic
- Understanding social enterprise definition
- Learning how to draft the social mission of a social enterprise

Supporting material:

1. Worksheets for group activity
2. File A - Why do people create social enterprises?
3. File B - Defining features of social enterprises - economic and social
4. File C - Social Mission. The principles and values of a social enterprise
5. Case studies: Caprina de Almeria SCA (Spain), La Coccinella (Italy), Qvinnovindar (Sweden)

1. Worksheets for group activity

Activity 1.1 Why do people create social enterprises?

In a small group, analyze case studies **Caprina de Almeria SCA** (Spain), **La Coccinella** (Italy), **Qvinnovindar** (Sweden) and identify the following main aspects:

	1. What problem did they want to solve?	2. Why was best for them to do it together?
Caprina de Almeria SCA (Spain)		
La Coccinella (Italy)		
Qvinnovindar (Sweden)		

Activity 1.2 What are the features of a social enterprise?

In your small group, analyze the case studies **1 - Caprina de Almeria SCA** (Spain), **2 - La Coccinella** (Italy), **3 - Qvinnovindar** (Sweden) and identify and discuss the features of social enterprise - economic and social.

Features of social enterprise	Example in the case study 1, 2 and 3
<i>Economic and entrepreneurial nature of initiatives:</i>	
Continuous activity of producing goods and/or selling services	
High degree of autonomy	
Significant level of economic risk	
Minimum amount of paid work	
<i>Social dimension of the initiatives</i>	
An initiative launched by a group of citizens	
A decision-making power not based on capital ownership	

A participatory nature, which involves the persons affected by the activity	
Limited profit distribution	
An explicit aim to benefit the community	

Activity 1.3 What is the mission of your social enterprise?

In small groups, participants are asked to think of a social enterprise they want to establish, beginning from the problem they want to solve it. After this, each group is asked to formulate the mission of the social enterprise following the 4 questions below and minimum 3 values for their social enterprise.

1. For whom? The statement for customers	
2. Why? The statement of the problem	
3. What does it do? The statement of purpose	
4. What do you do? The business statement	
Draft the mission of your social enterprise	
List the values of your social enterprise	

2. File A: Why do people create social enterprises?

Social enterprises emerge and develop in response to a social or economic need (lack of employment, lack of markets, lack of access to credit, etc.) of a group or a community, needs to which other sectors of economy (public sector and capitalist economic sector) fail to respond. This lack of appropriate response from them is known as the "failure" - failure of governments, market failure, failure of existing contracts in terms of price, quality, the capacity to meet a need etc. Social enterprises can fill the free space left by other sectors, identifying a market opportunity as an answer to a social need.

Social enterprises are often the means by which members mainly aim at solving their problems through mutual aid or economic cooperation, thus having a social purpose.

Social enterprises are consisting of groups of individuals who have a main ***common interest*** such as:

- Access to credit (credit unions, credit cooperatives);
- Labour capitalization (in the broad sense, any enterprise owned by those who work in it, it is a social enterprise) or own production capitalization (craft, fishery, agriculture or exploitation cooperatives);
- Joint use of an individual or collective property (forest owners' associations, commons);
- Supply as consumers with goods of a certain type - natural, organic (association for peasants' agriculture);
- Supply as consumers with affordable goods (consumers cooperatives, services / utilities cooperatives) etc.

These businesses are usually financed entirely from the commercial transactions they conduct. All these businesses can flourish particularly in rural areas.

3. File B: Defining features of social enterprises - economic and social

A social enterprise is characterised by a ***duality of objectives***: ***social objectives*** (creating social value) and ***economic objectives*** (creating economic value). Establishing the social purpose of a social enterprise requires answering the following three questions:

1. FOR WHOM does a social enterprise exist?

Here we emphasize the ***collective nature of the mission of a social enterprise***, as opposed to individual private interests: social enterprises address the needs / interest of a group, in many cases a disadvantaged group, or it addresses the needs / general interests of the whole community.

2. WHY, what is the social need to which the social enterprise responds?

3. HOW is a social enterprise working?

Social enterprises appear and have a real sense of existence under the following conditions:

- There is a problem or constraint that cannot be solved individually. Only a group of motivated people who share the same problem or concern can

solve the respective problem. So, the social enterprise has a collective character.

- There is no other alternative - in many cases when we will talk about social enterprise, the groups do not have another alternative to solve the problem other than by themselves, with mutual help.
- Advantages of membership (access to goods, loans, services and markets and other necessary facilities) are greater than expected contributions from members (e.g. contributions in money, time, land, equipment etc.)
- There is at least one person in the group who has the qualities of a leader - leadership and initiative spirit are necessary. It is essential for business success that this person should be a "trustful" and a charismatic person.
- The group is not constrained in any way - political or legal - in electing the leader and in the decisions they will make about how they will sell goods or services or how to distribute the surplus. In other words, the group will have autonomy of decision.

The social enterprise has a **democratic governance and organization** which ensures:

- The equitable distribution of power and resources among members of the organization;
- The application of rules of conduct that respect human rights, promoting trust and cooperation, transparency and integrity.

According to EMES - European Research Network, **the features of social enterprises can be divided in two categories:**

1. Economic and entrepreneurial nature of initiatives:

- Continuous activity of producing goods and/or selling services
- High degree of autonomy
- Significant level of economic risk
- Minimum amount of paid work

2. Social dimension of the initiatives:

- An initiative launched by a group of citizens
- A decision-making power not based on capital ownership
- A participatory nature, which involves the persons affected by the activity
- Limited profit distribution
- An explicit aim to benefit the community

The emergence of a social enterprise is argued by the current socio-economic context: changes in the demand for and supply of welfare services, bottom-up mobilization, emergence of new types of enterprises and concepts. As Joseph Stiglitz, Nobel Prize for Economics, said in 2009: *“we ...have focused too long on one particular model, the profit maximizing firm, and in particular a variant of that model, the unfettered market. We have seen that the model does not work, and it is clear that we need alternative models.”* Social enterprises could be an alternative model.

Generally, the social enterprise refers to a ‘different way’ of doing business and providing general – interest services. It is a specific type of institution that is supposed to perform in addition to public and for profit enterprises. It encompasses the entrepreneurial component of non-profit sector and the most innovative component of the cooperative movement. More clearly, social enterprise represents a new entrepreneurial form combining a social aim with business management.

The most recent definition of the social enterprise is proposed in Social Business Initiative Brussels, 25.10.2011, COM (2011) 682 final: *“a social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.”*

The **European Commission** (DG Internal Market & Services, Unit 01 – Single market policy, Relation with the Council, SBI Team) uses the term '**social enterprise**' to cover the following types of business:

- those having as primary objective to achieve social impact rather than generating profit from owners and shareholders;
- those using its surpluses mainly to achieve these social goals;
- those managed by social entrepreneurs in an accountable, transparent and innovative way, in particular by involving workers, customers and stakeholders affected by its business activity.

Social enterprises are seen as very important for the success of Strategy Europe 2020 because they contribute to smart growth by responding with social innovation to needs that have not been met, they create sustainable growth by taking into account their environmental impact and by their long term vision, and they are in the heart of inclusive growth due to their emphasis on people and social cohesion.

Remember!

The success of social enterprise results from:

- ***Social benefits*** - Meet the needs of members.

Benefits for members ensure their participation, their effort expressed by their desire to give up at immediate individual benefits in favour for the medium or long term organizational benefits. Lack of participation erodes the members' trust, which represents in fact one of the basic capitals of the company.

- ***Entrepreneurial behaviour*** - Identify and permanently pursue new business opportunities for the social enterprise.

4. File C: Social Mission. The principles and values of a social enterprise

Values are the underlying concepts of the entire organization. Based on them members will act within the organization, they will be the link between the members and the structures of the organization, they will represent outside the social enterprise.

Values are the principles that determine our behaviour. We can identify a range of values that most people and organizations in the social enterprise sector aspire to. These are:

- Participation and empowerment;
- Equality;
- Sustainability of the environment;
- Quality, safe, satisfactory, interesting work;
- Fair payment and fair employment practices;
- Self-development, skills, education and training;
- Ethical behaviour;
- Commitment to communities;

- Healthy, safe, good-quality, customer-orientated products and services;
- Transparency and trust, and
- Business cooperation.

Not all organizations are committed to supporting these values. A **commitment can be proven by:**

- Organizing and functioning documents - statutes, internal regulations;
- Policies and written procedures;
- Organizational ethos - organizational culture;
- But mostly through **the behaviour of employees, clients, members, directors or stakeholders.**

The social enterprise' values base is made up of at least two elements:

1. ***Social mission*** (or social purposes), e.g. generating income for charity, regenerating a local area, creating jobs for people with disabilities etc., and
2. Other ***core values***, e.g. good employment practices, fair trade, transparency, awareness of the importance of the environment etc.

In successful social enterprises, the activities that contribute most to achieving the values also contribute to revenue growth. There is no conflict between values and commercial success. Values are themselves an integral part of the business strategy of the social enterprise.

The **mission** of the social enterprise is a complex concept that includes: the proposed purpose, the general activity in which the organization is committed to achieving this goal, and the values that guide the organization in fulfilling its mission.

The drafting of the mission can be done in one or more sentences, depending on the complexity of the description.

How do you write the mission? Just keep in mind to answer at 4 questions when you're drafting:

1. For whom? The statement for customers
2. Why? The statement of the problem
3. What does it do? The statement of purpose
4. What do you do? The business statement

5. Case studies³

Case 1 - Caprina de Almería SCA (Spain)	
Website of the enterprise: www.lapastoradetaberno.com	
Legal organisational form: Second degree/tier cooperative formed by La Pastora de Taberno SCA and Los Filabres SCA). SCA= Andalusian Society Cooperative	
A. Good practice of the social enterprise	
<p>The principle activity of Caprina de Almeria is the marketing of goat milk. The necessity to join forces was based on the existence of a disorganized goat milk sector of very small enterprise dimensions but geographically close, along with the almost non-existent capacity to market the product or invest in increasing quality. The similar structure of the enterprises and the common vision of how to improve the local economy in a sustainable fashion led the members to believe that a cooperative was the best instrument to carry forward their economic activity.</p> <p>-it has gone through a series of cooperative concentrations and integrations and now is part of a cooperative that is part of a very large multisectoral group, while still maintaining its objectives and commitment to its territory.</p> <p>-it has invested in innovation in order to create new products and new markets.</p>	
B. Context:	
Year of Founding: 1983	
<p>Context of start-up – problem that the enterprise was set up to solve, economic social rationale:</p> <p>Andalucía is the autonomous community/region of Spain with the highest production of goat milk. It represents almost 50% of the Spanish total (252 M liters). The growth of production in Andalucía in the last few years has been stable, and has not experienced relevant fluctuations. However, the strong pressure from the milk industry (the principle clients of the goat milk sector) resulted in falling prices, which lead 10 goat farmers of the province of Almería (inside the region of Andalucía) to market their milk together. They created a collection and refrigeration center for raw goat milk in El Puntal de Sorbas (Almería) and in 1983 they began to sell milk directly to the industry. In this way they increased the value added by avoiding intermediaries and increased their negotiation power with their clients. From these beginnings this Andalusian cooperative became the most important goat milk cooperative in Spain. Later in 2006, it increased its membership with the absorption of 3 cooperatives from Granada (Iznalloz, Guadix y Baza).</p>	
<p>What are the Main Activities of the entity?</p> <p>Caprina's main activity is the joint marketing of the goat milk of its members. Other Activities involve: Sale of feed products for goats; Sale of veterinary products; Installation and maintenance of milking equipment; Sale of goat cheeses.</p>	
<p>Who are the Main stakeholders (i.e. members, clients, producers, etc.)?</p> <p>Caprina de Almería has 1700 members (50% women) located in the provinces of Almería and Granada. S.C.A. "Caprina de Almería" has the following clients: García Baquero, Lactalis Iberia, Central quesera Montesinos, Forlactaria, Lácteos Segarra, Palancares Alimentación, Formageries Granja Rinya, Lácteos Montbru,</p>	

³ Complete case studies are available at: www.ies.org.ro/erasmus

Lácteos Romero Gozalvez, Lácteos Cobreros, Kerr France, Lácteos Caprinos, Indulac-Industrias Lácteas.
Geographic coverage: The cooperative sells its production principally to clients in Spain (80%) and France (20%).
C. Ownership Structure
<p>What is the ownership structure of the entity? The property of the cooperative belongs exclusively to the members, there is not outside investment.</p> <p>If membership, is membership open or closed? Is exclusivity required? Caprina is a cooperative open to new members. The bylaws state that it will exclusively sell milk obtained from its members.</p> <p>Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised? The General Assembly fixes the quantity of the obligatory contributions of the new members and the conditions of their returns, harmonising the economic necessities of the cooperative and the entrance of new members. The obligatory capital is unallocated.</p> <p>Describe in a few words the voting distribution (e.g. one member-one vote; proportional to equity contribution; proportional to use, etc.). Caprina has an ownership structure typical of a second degree cooperative. Each of the cooperatives (La Pastora de Taberno SCA and Los Filabres SCA) has a vote based on the activity of the cooperator, that is, the sale of milk. Concretely, the cooperative Las Filabres has more decisionmaking capacity although all decisions are taken by consensus. In each of the cooperatives the cooperative principle of „one member-one vote” is put in practice.</p> <p>Describe in a few words the main benefits for members or owners. Independently of the economic benefits that the members can obtain, such as higher prices or the increase of joint sales, the cooperative also provides a series of free services:</p> <ul style="list-style-type: none"> ▪ Maintenance and installation of cold tanks in the member farms ▪ Weekly control of milking equipment, verifying and adjusting proper functioning. ▪ Technical advice by veterinaries regarding farm improvements, sanitary conditions, nutrition for animals, etc. ▪ Echography service for pregnant animals. ▪ Taking of samples in case of sickness and disease for analysis by the cooperative, or if necessary in another lab. ▪ Sale of fuel for industrial use at below market prices. <p>Indicate any <u>main changes</u> in ownership over the lifetime of the entity. No main changes have taken place in ownership over the life of the entity, other than a consistent increase in membership.</p>
D. Governance
<p>Describe the governance structure of the entity The board of directors is made up of 5 people (max. is 7). The board members are chosen in the general assembly by a simple majority. The positions are the president, vice president and secretary. The general manager is the general manager of La Pastora, always supervised by the President of the Carprina cooperative.</p>

Is there an entity or process for oversight of the board?
The General Assembly oversees the board, but there is no additional oversight.
Are there external independent board members?
No. However, occasionally in certain cases expert advice will be sought and they will be asked to solve/advise on a problem (without a vote).
Are there term limits for board members?
No. They can be re-elected.
What is the gender composition of the board?
20% women (1 out of 5 of the board members.)
Describe management and board salary/ compensation policies and how they are decided/determined?
The board members do not receive a salary, although they get their expenses paid for carrying out their board work.
E. Profit/ benefits/ surplus distribution policies
The distribution of cooperative benefits is in keeping with the Andalusian cooperative law. First, deductions are made for losses from prior years, 20% is destined to the Obligatory Reserve Fund (up to 50% of the capital) and 5% to the Cooperative Education and Sustainability Fund. The rest of the benefits are divided in function of the activities of the members. The losses are claimed against reserves (voluntary and obligatory) and the rest is covered by the members in function to their cooperative activity.
F. Strategy: highlight approaches adopted to address the identified challenges
<p>Amongst the strengths and opportunities of the cooperative:</p> <ul style="list-style-type: none"> ▪ Quality of milk. There are notable differences with respect to the competition. ▪ The cooperative company structure is financially solid. ▪ The cooperative is characterized by an initiative of innovation. For example, in the previous years they have attempted to create a bifidus culture based on goats' milk. <p>Amongst the weaknesses and threats of the cooperative:</p> <ul style="list-style-type: none"> ▪ There is increasing pressure from the industry to buy directly from the producer farmer. This implies that the cooperative has to implement measures and add value to maintain its members. ▪ Even though it is large within its sector, it still lacks dimension (in liters of milk) to be able to increase its negotiating power against the industry. <p>In this context, the principle strategies of the cooperative in the last few years have been to:</p> <ul style="list-style-type: none"> ▪ Establish possible formulas of withdrawal that serves to control the decrease in prices. ▪ Give value to "Origin from Spain" to promote the national consumption of goat milks so as to depend less on imports from France. ▪ Improve internal services to maintain the membership base. ▪ Establish a system of programmed collection and industry sales and optimise processes and supply chain issues. ▪ To un-obstruct the sale of milk: develop the processing industry. For example, to develop the production of their own cheese or to process liquid milk into powdered milk. ▪ Continue increasing concentration with the sector.

Describe briefly the relation between the business strategy and the social mission of the enterprise. Please describe briefly the strategic partners or alliances that the enterprise has.

Caprina tries to improve the commercial performance of the cooperative to improve the income of its farmer members.

As mentioned, there is a need to grow. In the last few years there have been processes of integration in other cooperative groups. In 2010 in Andalucía various agricultural groups, including Caprina, have concentrated the marketing of their product and have improved their position and competitiveness in the market. The result was the constitution of a cooperative

Productores de Caprino del Sur (Producers of Goat of the South—"Procasur"). The new entity is constituted by the following cooperatives: Agamma, de Colmenar (Málaga); Agasur(Málaga); Corsevilla, de Cazalla de la Sierra (Sevilla); Caprina de Almería, de Taberno (Almería); Nuestra Señora de los Remedios, de Olvera (Cádiz) and Ovipor, (Huelva). This new second level or federated cooperative has a turnover of 35 M € and the capacity to market 60 M liters of milk and a turnover of 20 M €. It also has more than 2,500 members and its head office is in Antequera (Málaga).

In 2014, the cooperative DCoop announced the incorporation of the first marketing cooperative of goat milk in Spain - the second level cooperative Procasur. With this last concentration, a new stage has opened up for Caprina de Almería in the heart of a large multisectorial company. However, it hopes to maintain a strong voice in the livestock section of this greater entity.

Please describe briefly the methods and practices of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.)

The communication with the members is continuous and carried out by the cooperatives workers and the board of directors, as well as the general manager. They are required to collect complaints and ideas of the members. On the other hand, Caprina is an active company in its participation in sector associations. For example, it is a member of Agroalimentary Cooperatives of Andalucía. This forum allows it to maintain contact with the rest of the Andalusian and national sectors.

Innovation and key performance factors

In the last few years, it has pushed to create a parallel industry that can create employment based on the production of cheese and the processing of liquid milk into powdered mil. These activities have created an additional 20 qualified jobs. This amount may seem small, but for an area where there are barely young people anymore, it is significant.

Human resources - personnel

No. of employees: 37 employees (16 permanent in la Pastora and 21 in Los Filabres)

G. Outcomes: results achieved and lessons learned

Assets (raw numbers): 4,5 M € (2013), Capital (raw numbers): 1,2 M € (2013)

Production: 30 M liters of milk in 2013 (50% of the total of goat milk was marketed in Andalusia), Turnover /sales: 14 M €

Social benefits - describe the benefit to members (membership), indicators used to evaluate the enterprise.

Basically the only indicator uses to measure the satisfaction of the member is whether they are satisfied and the benefits obtained by the member is the average weekly selling price of the milk. This is compared with other areas of Spain, for example, Castilla la Mancha.

Describe in a few words the broader social / environmental impact in your community – spill-over effects, in the last 3-5 years.

The cooperative Caprina has always tried to develop the economic fabric of its territory, which is basically marginalised from the traditional agricultural sector and rural tourism. There is no other relevant economic activity in the area.

Case 2 - La Coccinella (Italy)	
1. Website of the enterprise	www.lacoccinella.coop/
2. Legal organisational form	Social cooperative society
A. Good practice of the social enterprise	
La Coccinella is a success story because it shows how a small group of people, that got together in order to solve a very specific need in a small village, managed to build up an entire network of services, now spread all over a region and that has gained competences that are now recognized at national level. Moreover, even if it has grown significantly in size and people, La Coccinella has kept its territorial feature, remaining strongly rooted in local communities, providing services to small villages that, otherwise, would be in serious lack of early childhood care structures.	
B. Context:	
1. Year of Founding	1995
2. Context of start-up – problem that the enterprise was set up to solve, economic social rationale	
A group of full time working parents felt the lack of support in their children's early-childhood management and education. With a group of childhood workers, they decided to set up a cooperative that could take care of children under 3 years old, and started to manage their first nursery school in Cles.	
3. What are the Main Activities of the entity? Nursery schools, parents' support activities (best practice sharing, talking groups, etc), summer camps and spare-time activities, houseworks assistance, Atelier of testing new artistic languages, cultural activities (exhibitions, theatre plays, events, etc).	
4. Who are the Main stakeholders (i.e. members, clients, producers, etc.)?	
Children, parents, teachers, local communities, public administrations.	
5. Geographic coverage	
La Coccinella's nursery schools are spread all over the western part of Trento's province. Moreover, it provides consulting and advice to other similar organizations in the rest of Italy.	
C. Ownership Structure	
1. What is the ownership structure of the entity? Members have the ownership	

<p>2. If membership, is membership open or closed? Is exclusivity required? Open to an unlimited number of members. Members can be workers, volunteers, people unable to work without social assistance or special members, physical or legal entities. Financing members are admitted too.</p>
<p>3. Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised? Equity capital is unallocated and cannot be shared among members, not even in the case of the cooperative's dissolution. In case of liquidation of the society, social capital must be allocated to mutual funds promoting and supporting the cooperative movement.</p>
<p>4. Describe in a few words the voting distribution One member-one vote. Financing members' votes cannot exceed one-third of all other members' votes.</p>
<p>5. Indicate any <u>main changes</u> in ownership over the lifetime of the entity. Increase in the number of members and workers.</p>
<p>D. Governance</p>
<p>1. Describe the governance structure of the entity Governance bodies are the members' meeting and the management board. Statutory auditors are provided by the charter, but there is no obligation to appoint them. Board members are elected by the members' general meeting by relative majority or eventually by unanimous vote.</p>
<p>2. Is there an entity or process for oversight of the board? No</p>
<p>3. Are there external independent board members? There could be non-members, provided that their number does not exceed that of the members.</p>
<p>4. Are there term limits for board members? The board composition can vary between a minimum of 3 members to a maximum of 7 (president, vice-president and 1 to 5 council members). Board members are elected every 3 years and can be re-elected, but only for 3 consecutive mandates.</p>
<p>5. What is the gender composition of the board? 100% women</p>
<p>6. Describe management and board salary/ compensation policies and how they are decided/determined? The administrators' compensation is determined by the general meeting. For administrators with specific tasks, their salary is determined by the board.</p>
<p>E. Profit/ benefits/ surplus distribution policies</p>
<p>The members general meeting decides on how to distribute the rebate among members, if in terms of direct distribution or by increasing each member' share. Members are not liable for losses.</p>
<p>F. Strategy: highlight approaches adopted to address the identified challenges</p>
<p>1. Describe briefly the business strategy La Coccinella's services are all related to early childhood-childhood care up to 11 years old and parents. Market section is mainly the western part of the region (Val di Non, Valle dell'Adige, Alto Garda).</p>
<p>2. Describe briefly the relation between the business strategy and the social mission of the enterprise.</p>

La Coccinella's social mission is to take care of children and their rights first, helping parents to maintain a balance between parenthood and personal life and career, paying attention to workers' needs, in harmony with local communities and administrations. Thus, services are all oriented towards high quality and towards being a strong, clear reference for the local community. La Coccinella is deeply rooted in the local community, having the support of the public administration. Moreover, La Coccinella actively involves children's parents in training activities and also for small maintenance works, in order to increase the ownership.

3. Describe briefly the strategic partners or alliances that the enterprise has.

La Coccinella acts in tight coordination with the local municipality: in order to apply for a place in their nurseries, parents must first obtain the voucher for social services issued by the municipality.

La Coccinella is also part of consortium CON.SOLIDA and of Trentino Federation of Cooperatives for representation at local level, and takes part to the National Consortium Gino Matterelli and to Confcooperative-Federsolidarietà at national level. Recently, it will participate in Expo 2015 in the exhibition area for all national cooperative societies.

4. Please describe briefly the methods and practices of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.)

La Coccinella has its own press office that manages the website and cares for all the relations with stakeholders (even well-known national newspapers have published news about La Coccinella). People can subscribe to a specific newsletter for the area of interest, and also read news related to the cooperative on the website under the 'news' and 'press review' sections. Stakeholders can find useful information also in the annual publication of the 'social evaluation', which is published online and available to download. The 'video' section collects interviews and tv services.

Case 3 – Qvinnovindar (Sweden)

Website of the enterprise: **www.qvinnovindar.se**

Legal organisational form: Economic association

A. Context:

1. Year of Founding 2007

2. Context of start-up – problem that the enterprise was set up to solve, economic social rationale

We are investing in renewable energy (wind power) for a sustainable future.

There was a threat of the start of uranium mining in our area, which would mean a huge burden on the environment where good farmland would be destroyed.

The revenue from the uranium mining would obviously not remain in the district; they would be distributed to the shareholders of the mining company.

<p>We wanted to show an alternative to environmentally destructive uranium mining! It is possible to produce energy in a sustainable manner and that the local people can be involved in the process, investing in shares and take part of the business opportunities.</p>
<p>3. What are the Main Activities of the entity? We produce environmentally friendly electricity from wind power and we give lectures to inspire others to dare to invest in wind energy and to realize their ideas.</p>
<p>4. Who are the Main stakeholders (i.e. members, clients, producers, etc.)? Members</p>
<p>5. Geographic coverage We sell energy to the electricity companies in southern and central Sweden. We sell lectures on renewable energy to those who are interested.</p>
<p>B. Ownership Structure</p>
<p>1. What is the ownership structure of the entity: i.e., does the entity have shareholders, owners/members, donors, trustees, investors, etc.? Members = owners</p>
<p>2. If membership, is membership open or closed? Is exclusivity required? Open membership, but only for women.</p>
<p>3. Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised? Capital contribution: 25 000 SEK/person (approx. 2 700,00 EUR/p). No annual fee.</p>
<p>4. Describe in a few words the voting distribution (e.g. one member-one vote; proportional to equity contribution; proportional to use, etc.). One member, one vote</p>
<p>5. Describe in a few words the main benefits for members or owners. We want to show that together, with limited resources one can achieve great things. Globally, women own a very small part of the earth's resources, and we believe that to achieve a sustainable future, women must become more involved in community-building and decision-making. This involves both taking responsibility and creating business opportunities, in order to take advantage of the resources. Qvinnovindar is a door opener that shows the way to a world that is unknown to many, many want to participate but do not quite know how. We want to influence, make money and have fun in a sustainable way!</p>
<p>6. Indicate any <u>main changes</u> in ownership over the lifetime of the entity. No big changes</p>
<p>C. Governance</p>
<p>1. Describe the governance structure of the entity - 8 board members (only women). Nomination Committee submits proposals to the Annual General Meeting.</p>
<p>2. Is there an entity or process for oversight of the board? We have an Accountant.</p>
<p>3. Are there external independent board members? No</p>

4. Are there term limits for board members?	No
5. What is the gender composition of the board?	Only women.
6. Describe management and board salary/ compensation policies and how they are decided/determined?	No salary/compensation for the board members except for the treasurer. She receives compensation for her work.
D. Profit/ benefits/ surplus distribution policies	
We make down payments on investment costs in relation to paid capital contributions. No liability for members.	
E. Strategy: highlight approaches adopted to address the identified challenges	
1. Describe briefly the business strategy:	We sell electricity along with other electricity companies (private and public actors).
2. Describe briefly the relation between the business strategy and the social mission of the enterprise.	Our business strategy is to make joint efforts and allocate future revenues in relation to invested capital. Qvinnovindar is a door opener showing the way to an area of knowledge that is foreign to many! Women need to take greater place in local, regional and global development - we take the lead and show the way!
3. Describe briefly the strategic partners or alliances that the enterprise has.	Other wind power business, where electricity prices, service, etc. are negotiated. Other strategic partners are the municipality and other authorities.
4. Describe briefly the methods and practices of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.)	Emails, Facebook, social media, newspapers, regular meetings and annual general meeting
5. Innovation and key performance factors	We are role models within the sector! Key factor: extensive knowledge among the members.
F. Outcomes: results achieved and lessons learned	
Assets: 577 000 SEK (62 625 EURO), Capital: 17 000 SEK (1850 EURO) Qvinnovindar has (since start-up) taken the initiative and started up an additional 2 cooperatives within the same sector. It's Q2 with 52 members and Qvinnovindar Sweden with 17 members. Common to all three co-operatives is that only women are members / owners.	

Title 2: What is social economy? Actors of social economy

Short description

Social economy, known also as a non-profit sector or third sector represents a sector which plays a crucial role in providing many goods and services, in supporting sustainable socio-economic development, and in reducing poverty and marginality. Social economy refers to entities with a wide range of organizational forms, such as cooperatives, mutual aid societies, associations, foundations, and also organizations that play non-economic roles, including advocacy and participation.

Topics:

- Defining social economy
- The main actors of social economy

Learning outcomes

- Understanding the definition of social economy
- Understanding the principles of social economy
- Learning who are the actors of social economy

Supporting material:

1. Worksheets for group activity
2. EMES definition of social economy
3. CIRIEC definition of social economy
4. Principles of social economy - CEP-CMAF's Charter of Principles of the Social Economy from 2002
5. File A: What is social economy? and File B: Social economy actors. Legal forms in Romania, Spain, Italy, Sweden

Activity 2.1 What are the actors of social economy?

In your small group, analyze the following 2 definitions of social economy and identify who are the actors of social economy, trying to find some examples of such entities from the real life:

Definition of social economy	Identify who are the actors of social economy Can you exemplify?
Jacques Defourny - European Research Network: <i>“the social economy gathers enterprises of the co-operative movements, mutual benefit and insurance societies, foundations and all other types of non-profit organizations which all share some principles making them correspond to the "third sector" of modern economies”.</i>	
José Luis Monzón Campos & Rafael Chaves Avila - CIRIEC: <i>“The set of private, formally-organized enterprises, with autonomy of decision and freedom of membership, created to meet their members’ needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote, or at all events take place through democratic and participative decision-making processes. The Social Economy also includes private, formally-organized organizations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them.”</i>	

Activity 2.2 Comparative analysis of types of social economy actors in Romania, Spain, Italy and Sweden

In your small group, in base of File B, compare and analyze the social economy actors from Romania, Spain, Italy and Sweden. Identify and discuss major similarities and differences:

Similarities	Differences:

File A: What is social economy?

Social economy, known also as a non-profit sector or third sector represents a sector which plays a crucial role in providing many goods and services, in supporting sustainable socio-economic development, and in reducing poverty and marginality.

The concept of social economy, French in origin, refers to organizations sharing certain features, like aim to benefit members or community. More precisely, social economy refers to entities with a wide range of organizational forms, such as cooperatives, mutual aid societies, associations, foundations, and also organizations that play non-economic roles, including advocacy and participation.

Jacques Defourny proposed for the European Research Network the following definition of the social economy, accepted as a working definition by the academic and research world: *“the social economy gathers enterprises of the co-operative movements, mutual benefit and insurance societies, foundations and all other types of non-profit organizations which all share some principles making them correspond to the “third sector” of modern economies”*.

CIRIEC proposed a definition of social economy that fits in with the national accounts systems⁴: *“The set of private, formally-organized enterprises, with autonomy of decision and freedom of membership, created to meet their members’ needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote, or at all events take place through democratic and participative decision-making processes. The Social Economy also includes private, formally-organized organizations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them.”*

⁴ CIRIEC – Centre international de recherches et d’information sur l’économie publique, sociale et coopérative (2012): José Luis Monzón Campos & Rafael Chaves Avila “The social economy in the European Union”, p. 21.

CIRIEC's definition is also in line with the *principles of the social economy from CEP-CMAF's Charter of Principles of the Social Economy from 2002*:

- the primacy of the individual and the social objective over capital,
- voluntary and open membership,
- democratic control by membership,
- the combination of the interests of members/users and/or the general interest,
- the principle of solidarity and responsibility,
- autonomous management and independence from public authorities, and
- the most of the surpluses are used in pursuit of sustainable development objectives, services of interest to members or the general interest.

In the European Union social economy represents over 2.8 million entities and enterprises and employ over 13.6 million paid employees (the equivalent of 6,3% of the working population of the EU-28). Also, social economy provides employment of a workforce of over 19.1 million, including paid and non-paid, more than 82.8 million volunteers, equivalent to 5.5 million full time workers and more than 232 million members of cooperatives, mutuals and similar entities⁵.

File B: Social economy actors. Legal forms in Romania, Spain, Italy, Sweden

Generally, in EU countries the main social economy actors are:

- **Associations, foundations and other non-profit and civil society and voluntary organisations;**
 - **Cooperatives** (cooperative banks, agricultural cooperatives, consumer cooperatives, worker cooperatives, housing cooperatives, utility cooperatives, social cooperatives);
 - **Credit Unions;**
 - **Mutual societies** (mutual insurance organizations, health mutual organizations, mutual savings & loan).
-
-

⁵ Monzon J.L., Chaves R. (directors), RECENT EVOLUTIONS OF THE SOCIAL ECONOMY IN THE EUROPEAN UNION, Study carried by CIRIEC for the European Economic and Social Committee, 2017

In **ROMANIA** the main actors of social economy are: associations & foundations, cooperatives, credit unions and commercial companies controlled by social economy organizations.

Associations and foundations (also known as NGOs) are private, formal, voluntary and autonomous organizations set up under Ordinance no. 26 of 2000, with subsequently amendments and completions. They carry out activities in the general interest or in the interest of local collectivities or, as the case may be, in the non-patrimonial interest of the members. Associations and foundations may conduct any other direct economic activities if they are of auxiliary nature and are closely related to the primary purpose of the legal person.

Cooperatives are associations of individuals pursuing the achievement of common goals of members, especially economic, but also social and cultural. They are held jointly and democratically controlled by their members, in accordance with cooperative principles. Today, cooperatives take different forms and operate in all sectors of the economy. In general, a cooperative is set up by a group of people who share a common need, be the consumers, producers or workers. In Romania, the most common cooperative forms are crafts / worker cooperatives, consumer cooperatives, agricultural cooperatives and credit cooperatives. The most common are first-degree cooperatives, but there are also second-degree cooperatives and cooperative unions. Cooperatives obtain revenue from the sales of products and services on the market, therefore fall into the market sub-sector of the social economy.

The cooperative society of 1st degree is a legal entity constituted by natural persons and registered according to the provisions of Law no.1 / 2005 (the minimum number of cooperative members of a cooperative society is established by statute but is not less than 5, the social capital of the cooperative society is variable and cannot be less than 500 Ron).

The second-degree co-operative society is a legal entity made up in majority of first-degree cooperative societies, and other natural or legal persons, for the purpose of integrating the economic activity carried out by them horizontally or vertically. The cumulative participation of first-degree

cooperative societies in the formation of the share capital of the cooperative society of grade 2 cannot be less than 67%.

Unlike associations, cooperatives can partially distribute the profits obtained, in proportion to the capital contribution of the cooperative members. Under the principle of economic participation of cooperative members, members contribute equitably to the constitution of the cooperative society's property. A cooperative member may hold shares within the limits and under the conditions laid down in the statute, but may not exceed 20% of the social capital. Cooperative members receive, as a rule, limited cash or in-kind compensation, profit based on the annual financial statement and the profit and loss account, in proportion to the share of the capital. The cooperative members allocate from the net profit of the cooperative society the amounts needed for the following purposes: the development of the cooperative society, the rewarding of the cooperative members in relation to the participation in the activity of the cooperative society or the support of other activities approved by the members.

Although they have a business-like model of operation, the democratic governance mechanism - the principle “one man - one vote” that makes decision-making rights not proportionate to equity participation as in the case of commercial companies, and the mission to serve the common interest of members, make cooperatives part of the social economy. In fact, the principles of functioning of the social economy find their way into the historical tradition of the cooperative movement.

The framework and specific legislation of co-operation in Romania is represented by: Law no. 1 of 21/02/2005 on the organization and functioning of the cooperative, Agricultural Cooperative Law 566/2004, Government Emergency Ordinance 99/2006 on credit institutions and capital adequacy: Title V - Cooperative Credit Organizations, approved with amendments and completions by Law no. 227/2007.

In Romania, we can speak of a re-discovery of the cooperative sector, which is still under the impact of the psychological barriers due to the communist period, and which must be overcome. The history of the co-operation in Romania dates back to the 1800s (for example: 1851 - the first popular bank

is established in Transylvania in Bistrita almost simultaneously with the Schulze Delitzsch and Raiffeisen German cooperatives, 1860 - Ion Ionescu from Brad sets up the first Popular bank in the village of Brad, Roman, 1873 - the first consumer cooperative, 1883 - the first cooperative of rural consumption "Economat" in Retevoiesti, 1903 - the first Law of the cooperatives, at that time there were already 700 popular banks, etc.). At present, the most popular forms of cooperatives are: craft, consumer, credit, agricultural cooperatives. Cooperatives in housing, utilities, social services, models in expansion at European level are very few or even nonexistent in Romania.

Credit unions (CAR) are divided into two main categories: **credit unions of employees** (CARS, set up under Law No 122/1996) and **credit unions of retired people** (CARP), established under Law 540/2002). CARs can be considered as part of the mutual savings societies or credit unions, with the primary role of raising funds from members in the "social fund" and providing loans at an advantageous interest rate to the members (sometimes aiding in particular situations - supporting funeral expenses, etc.), thus contributing to the European objective of preventing social exclusion. CARs are classified as non-banking financial institutions and are recorded in the Register of Non-Banking Financial Institutions of the National Bank of Romania. They are not credit institutions.

Social economy business groups, with a growing frequency at European level can be constituted by one or more social economy organizations. At European level, a group is considered to be a social economy business group if the enterprise or business co-operation that drives and controls the group decision-making processes and benefits from its activities is a social economy organization, regardless of its legal form which the group adopts. In the European Union there are such social economy groups in agriculture and food, industry, distribution and retail, welfare services and other activities. In Romania, it is considered that social economy business groups are in the form of **commercial companies owned by social economy organizations**.

An organizational form specific to the Romanian social economy, but without a specific legal form (open model), is represented by the **protected**

units, with an explicit role in the integration of people with disabilities into the labour market. The protected unit operates as an "open form" model and it is accessible to a wide range of legal forms: commercial companies, associations, cooperatives, natural persons authorized subject to the requirement to employ at least 30% of the total number of employees with disabilities.

Please, find attached in Annex I details on specific types of entities, analysed as best practices within the New Crops project.

In **SPAIN** the main actors of social economy are: cooperatives, worker societies, mutual societies, special employment centres, work insertion enterprises, fishermen's associations, associations for people with disabilities, foundations.

Cooperatives are considered part of the "social economy" in Spain. For agricultural cooperatives, the legal forms available are: **Co-operatives (Agricultural or Community Exploitation of Lands ("Explotación Comunitaria de la Tierra))** or **Agricultural Transformation Companies-S.A.T. ("Sociedades Agrarias de Transformación")**, which are a hybrid form specifically for agricultural and forestry related activities, where in certain cases voting is in relation to capital. Spain has 17 different autonomous communities, almost each with their own cooperative law. As well, there is a national law. They are general cooperative laws with special sections for different types of cooperatives. Some regions have more than one cooperative law, such as the Basque country that has a special law for small cooperatives.

Worker societies have shown a high potential for generating social enterprises in Spain. In this type of enterprise, the majority of the capital belongs to the workers. The fact that the workers are partners, favours the self-motivation when facing the projects. The minimum required is three, and the formalities of registration are similar to those of any other commercial society.

Mutual societies are societies of persons, not for profit, of democratic structure and management, which exercise a voluntary insurance activity, complementary to the Social Security provision system.

The Special Employment Centres are companies that combine economic viability and their participation in the market with their social commitment for groups with fewer opportunities in the labour market. The staff is in majority made up of people with disabilities (their number cannot be less than 70% of the total number of workers). They develop a competitive productive capacity that allows them to introduce their products in the market.

Work insertion enterprises are defined as "learning structures, in the commercial form, whose purpose are to enable access to employment of disadvantaged groups, through the development of a productive activity, for which a process of insertion is designed, in the same time with a conventional employment relationship ". They must have a percentage of workers in insertion, depending on each Autonomous Community, which will range between 30% and 60%. 80% of the results are reinvested in the company.

The Fishermen's guilds are non-profit associations from public sector, representing economic interests of fishing vessels owners and workers, which act as consultation and collaboration bodies of the competent maritime fisheries authorities. Their management is developed in order to meet the needs and interests of their members, with the commitment to contribute to local development, social cohesion and sustainability.

Associations for people with disabilities The main characteristics of this associative movement are centred on providing services where the lucrative sector fails. They demonstrated capacity for innovation to meet the needs that arise in society, and the defence of social, legal, administrative, or other changes, always in defence of the rights and freedoms of persons with disabilities.

Foundations are non-profit organizations which, by the voluntary will of their members, have their assets permanently affected by the realization of an objective of the general interest. The Foundations of Social Economy must comply with the principles of Social Economy from Law 5/2011.

Please, find attached in Annex I details on specific types of entities, analysed as best practices within the New Crops project.

In **ITALY** the main cooperative typologies are: production and worker cooperatives, consumer cooperatives, cooperative credit banks, social cooperatives (types A and B).

Social cooperation is governed by **Law 381/1991**, promulgated by the Italian State, which regulates the constitution process and the specific activities.

Cooperative credit banks are based on 1993 Testo Unico Bancario (Consolidated Law on Banking) and on the instructions provided by **Banca d'Italia** (Bank of Italy), which are fully-fledged laws.

Production and worker cooperatives relate to Law 142 April 4th 2001, which regulates the worker member position.

Agriculture cooperatives are managed through the regulations of both the legislative decree n.228 May 18th 2001, and of n.99 on professional agricultural entrepreneurship March 29th 2004.

Law 155/2005 regulates the areas of interest and the legal forms a social enterprise may adopt.

A social enterprise is a private juridical subject, autonomous from public administration, which carries out production activities according to entrepreneurship criteria (continuity, sustainability, quality). However, unlike conventional companies, social enterprises act according to an explicit social aim: their main purpose is not to generate financial gains and profits but to provide goods and services either to their members, to the community at large, or to disadvantaged sectors of the society. These enterprises are able to involve different types of stakeholders (from volunteers to financiers), both in terms of property and management. They maintain strong bonds with the local community in which they operate, and get the resources they need from a plurality of sources: from the public administration (for those services considered important by popular opinion), from charitable donations of money and work, but also from the market and from private demand. Therefore, **social enterprises can have different legal forms, other than the classic ones: coop / s.r.l. (private limited company) / spa (joint-stock company)**. The forms most frequently used are S.P.A.

(joint-stock company for social cooperatives and s.r.l. (private limited company) for social enterprises.

Please, find attached in Annex I details on specific types of entities, analysed as best practices within the New Crops project.

In **SWEDEN** the main social economy actors are: cooperative economic association and work integration social enterprise.

The Swedish **cooperative economic association** is tailor-made for cooperation. Cooperative companies can be run under a variety of different corporate structures. A cooperative economic association is often ideal, because the relevant legislation is designed to handle a democratic approach to ownership. All joint owners/members of the association have a vote and they decide jointly on how to allocate a surplus. A cooperative economic association (in common with a limited company) is a legal entity which must comprise at least three people or companies and the members must decide jointly on the size of the start-up capital.

Work integration social enterprises may have different corporate forms - they can be organized as economic associations, companies, non-profit associations or foundations.

Title 3: Stakeholders of social enterprise

Short description

Stakeholders are any natural or legal persons, groups, organizations or institutions that have an interest, are influenced / affected or can influence / affect the efficient operation and sustainability of the social enterprise and its projects.

Topics:

- Stakeholders of social enterprise - classification
- Stakeholders of social enterprise - analysis

Learning outcomes

- Understanding the importance of knowing the main stakeholders and their needs

Supporting material:

1. Worksheet for group activity
2. File A - Stakeholders of social enterprises
3. Case studies: 1 - S.A.D. Società Cooperativa Sociale (Italy), 2 - BioSabor SAT (Spain)

Activity 3.1 Stakeholders analysis

In a small group, analyze case studies 1 - S.A.D. Società Cooperativa Sociale (Italy) and 2 - BioSabor SAT (Spain) and identify the following main aspects:

	S.A.D. Società Cooperativa Sociale (Italy)	BioSabor SAT (Spain)
1. Main stakeholders		
2. The needs of the main stakeholders		
3. Explain how the needs of the main stakeholders are reflected in business policies and procedures of the social enterprise		

2. File A: Stakeholders of social enterprises

Stakeholders are any natural or legal persons, groups, organizations or institutions that have an interest, are influenced / affected or can influence / affect the efficient operation and sustainability of the organization and its projects.

They can be classified as follows:

(A) Factors of interest

(B) Competence factors

(C) Supporting factors

(D) Decision makers

(E) Information and communication transfer factors

Stakeholder analysis is extremely important for the success of the social enterprise. In order to identify the FIRST 20% of stakeholders who have the

possibility to INFLUENCE THE 80% OF THE ORGANIZATION, it is necessary to analyze the importance of the stakeholders according to:

- RESOURCES (financial, informational, relationships, etc.);
- ATTITUDE and MOTIVATION of involvement ("+" and "-");
- PROBLEMS that might arise from collaboration;
- POSSIBLE CONTRIBUTION / INFLUENCE for carrying out activities;
- MOMENT to be involved.

Also, tools such as *Force Field Analysis* can be very useful for assessing the implementation of a business idea, of the forces that may have an impact on implementation.

Remember!

Members - key stakeholders for most social enterprises.

For many social enterprises, members are the main factor of interest. According to the types of members and their preoccupations stipulated by the constitutive act, the social enterprises can be constituted by different categories of citizens, in their various qualities as consumers, producers, supporters of a cause, etc. and may have different forms of organization:

- Workers are actually working in cooperatives / enterprises. If they choose the form of a co-operative organization, they create craft cooperative societies.
- Consumers are consumers of certain goods and services. Depending on the type of good or service, goals and other strategic options may take various forms of organization. For financial services - financial assistance members may choose the form of organization of mutual aids or credit co-operatives, in order to buy consumer goods or services can create consumer cooperatives or, if it is a service, for example joint transport, can choose the form of a transport co-operative. Consumers can also be associated for life insurance, pension or health insurance services in cooperatives or mutual societies.
- Producers - most often they are agricultural producers but also other producers of goods or services can meet to achieve certain parts of the

economic cycle - distribution, marketing and promotion, joint supply. They can choose the form of co-operative or associative organization.

- Owners of agricultural and / or forest land areas.
- Other persons wishing to carry out activities of common interest in a cooperative system.

3. Case studies⁶

Case Study 1 - S.A.D. Società Cooperativa Sociale (Italy)	
Website	www.cooperativasad.it
Legal organisational form	Cooperative enterprise – social sector type A
A. Good practice of the social enterprise	
Aspects that recommend the social enterprise as a good practice in the particular sector.	
SAD is a cooperative that works both with public and private sectors with the aim to answer to the social needs of the community by way of planning and integrating social services to improve local welfare. Its activity responds to quality criteria foreseen in the „Carta dei servizi” and the „Carta dei comportamenti” (services and approach guidelines); UNI EN ISO 9001: Vision 2008 for the provision of home care, managing, planning and providing services for day centres for the elderly under the brand „Family Audit” set up by the province of Trento.	
B. Context:	
1. Year of Founding	1990
2. Context of start-up – problem that the enterprise was set up to solve, economic social rationale	The main beneficiaries of the services provided by the coop are: the elderly, disabled, ill, and people who are temporarily not autonomous, in the province of Trento. These social services provided help to support the people in need in their own familiar environments in order to maintain their connections with their families, friends, neighbours, and community.
3. What are the Main Activities of the entity?	Home care for the elderly and not autonomous, evening activities, meals on wheels, palliative therapy, day center management, safe residence provision, services, social housing.
4. Who are the Main stakeholders (i.e. members, clients, producers, etc.)?	Users and their relatives, worker members, employees, public social services department, municipalities and local communities.
5. Geographic coverage:	City of Trento; Aldeno, Cimone and Garniga; Rotaliana-Königsberg community, Val di Cembra and Val di Non communities.
C. Ownership Structure	

⁶ Complete case studies are available at: www.ies.org.ro/erasmus

1. What is the ownership structure of the entity?
Members, who are the owners of the entity, can be natural and legal persons.
2. If membership, is membership open or closed? Is exclusivity required?
Open to an unlimited number of members as stated by ICA principles.
3. Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised?
Yes, there is a capital contribution. Each member signs up for his/her contribution, which generally varies from €25 - 100€.
4. Describe in a few words the voting distribution (e.g. one member-one vote; proportional to equity contribution; proportional to use, etc.).
One member-one vote. For financing members, there is a one share-one vote distribution rule, but financing members' votes cannot exceed a third of all members' votes. Members gain their right to vote after 90 days since signing up in the members' book, and lose their right to vote if in default.
5. Describe in a few words the main benefits for members or owners.
Full time permanent job for members.
6. Indicate any <u>main changes</u> in ownership over the lifetime of the entity.
The membership has grown from 9 members at the time of foundation in 1990 to 56 members today. Many members are young people and women.
D. Governance
1. Describe the governance structure of the entity
Governance bodies are: Members Assembly; board members, supervisory committee. Board members are elected by the members' General Assembly by relative majority (or eventually by unanimous decision).
2. Is there an entity or process for oversight of the board?
Auditing functions are carried out by external auditors from the Trentino Federation of Cooperation.
3. Are there external independent board members? No.
4. Are there term limits for board members?
The board is formed by 7 members (President, vice-president and 5 members). There is no limit for the number of mandates. Those that leave can be re-elected.
5. What is the gender composition of the board?
Out of 7 members of the board, there are 6 women
6. Describe management and board salary/ compensation policies and how they are decided/determined?
SAD is based on a mutualistic goal without private speculation aims. The board members have to respect a principle of equal treatment towards members. They are paid on the basis of an attendance fee determined by the General members' assembly. The amount is between 0€ - 200€ for each participation in the meeting. The board decides an extra earning for the board members with specific tasks. The cooperative managers' salaries are calculated in accordance with the national contract foreseen by the relevant category plus a further amount agreed by the board members
E. Profit/ benefits/ surplus distribution policies

SAD is not-for-profit and seeks only to sustain itself, pay employees and cover overheads. The General Assembly can deliberate to give worker members a certain amount of additional money back. Members are liable for losses only with their capital stock. Conditions are foreseen in the coop statute and Civil Code.

F. Strategy: highlight approaches adopted to address the identified challenges

1. Describe briefly the business strategy.

SAD social mission is to improve the quality life of elderly. The main goal of the cooperative is to create conditions for inclusion. Implementing and managing multigenerational housing project, Sad offers to elderly persons a housing solution which they share with contemporaries. The cohousing setting includes apartments comprising single rooms, services and common space. Older people share the costs of food (with cooking provided by carers), electricity, water, rent and caregivers, whose presence is assured 24 hours a day, seven days a week. In the same building, another apartment hosts a group of specifically-selected students who support their older neighbours on a voluntary basis, thus encouraging intergenerational solidarity. The social and community relations of elderly persons are also maintained and reinforced by the visits of their friends and relatives.

2. Describe briefly the relation between the business strategy and the social mission of the enterprise.

With home-based care services and community assistance, the elderly people are empowered to live independently and are better able to avoid the need to be admitted to a nursing home

3. Describe briefly the strategic partners or alliances that the enterprise has.

Sad is a member of the consortium CON.SOLIDA and of Trentino Federation of Cooperatives. It works in close coordination with the local administration' sanitary system.

4. Please describe briefly the methods and practices of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.)

SAD has a multimedia and social network to constantly keep in touch with their members and community, draws up a detailed social fund balance sheet, and organizes numerous events and initiatives to encourage participation, alongside annual assemblies foreseen by the social statute.

5. Innovation and key performance factors

In 2015, the SAD was awarded by United Nations Economic Commission for Europe as one of the best practices within *Innovation and empowering strategies for care policy*

6. Human resources - personnel

122 employees - 15 men, 107 women (68% with full time contracts); 57 members

G. Describe in a few words the broader social / environmental impact in your community – spill-over effects, in the last 3-5 years.

Guaranteeing work places for members and quality services for the community, even in times of social and economic crises, at the same time reducing public costs of the local welfare system.

Case study 2 - BioSabor S.A.T. (Spain)	
Website	www.biosabor.com
<p>Legal organisational form</p> <p>Sociedad Agraria de Transformación (Agrarian Transformation Society)– SAT (A SAT is a form of enterprise that has its roots in the Colonization Union Groups formed during the Franco regime to act as intermediaries between the state and the farmers and to “transform” Spanish agriculture and rural areas. This type of entity was then continued after democracy in the form of the SAT, under a specific legislation governed at the national level. A SAT’s business purpose is limited to all agricultural related activities. It is a hybrid of cooperative and investor owned firm characteristics. In Spain it is considered to be a “social economy” entity due to its objectives of agricultural and rural development and democratic governance. However, votes (when in relation to economic contracts) and benefits are in function of capital investment. The capital contribution of any one member has a cap of 30%, thus also limiting voting and return on benefit rights. <i>This business form was an interesting example of how regulatory measures aided enterprises to transition from one regime to another. Although not free of problems, it proved to be a useful legislative tool and the business form has been adopted by new enterprises who find the hybrid form useful. Recent amendments to cooperative legislation has included some of the characteristics of SATs.)</i></p>	
A. Context:	
1. Year of Founding	2008
<p>2. Context of start-up – problem that the enterprise was set up to solve, economic social rationale</p> <p>After 15 years producing products for, and marketing through, another entity, Costas de Níjar SAT, a group of partners decided to embark on a new project, differentiate their production from the competition and produce F&V that were 100% organic. They also wanted to recuperate the original flavour of fruits and vegetables and use production methods that were more efficient and respectful of the environment. In addition, they wanted to create more value for the farmers who were part of the new company, Biosabor.</p>	
<p>3. What are the Main Activities of the entity?</p> <p>The company has developed two principle business units:</p> <ul style="list-style-type: none"> - Production and sale of fresh organic F&V, which is their principle activity (various types of tomato, cucumber, watermelon, etc.) - Production and sale of organic and healthy, prepared and ready-to-eat products such as fresh gazpachos, tomato and pomengranate juice, organic soups, juices, etc.) <p>Currently, the company is starting to develop a new business area which is the production of tilapia fish within the greenhouse. There is only one other company in Spain competing in this area. With respect to competition in Scotland and Poland, it has a competitive advantage due to the fact that the fish need warm water to live and grow and Almería has a climate which makes heating the waters unnecessary. This reduces costs and environmental impact.</p>	
4. Who are the Main stakeholders (i.e. members, clients, producers, etc.)?	

Partners and collaborators, clients (supermarkets), suppliers, other ecological growers and suppliers.
5. Geographic coverage The production is completely their own and is produced in the area of the Natural Park of Cabo de Gata-Níjar, with farms and installations situated in small towns of the province of Almería. 90% of its production is for export to European countries such as Germany and Switzerland. They also export to the Netherlands, UK, France, Italy and Andorra. They are also entering the Asian market, and in 2012 was the largest exporter of ecological gazpacho to Taiwan. Its products can be found nationally, with Catalonia being the most developed market.
B. Ownership Structure
1. What is the ownership structure of the entity? Biosabor S.A.T. has 5 members and 13 collaborating members. The sole administrator and president of Biosabor is Francisco Salvador Belmonte Méndez. It is a first tier/level SAT, meaning that its members are farm enterprises (in this case, family farms).
2. If membership, is membership open or closed? Is exclusivity required? Members must have agrarian activity and make make capital contributions. Bylaws determine exclusivity.
3. Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised? Yes, but amount N/A. Individualised.
4. Describe in a few words the voting distribution (e.g. one member-one vote; proportional to equity contribution; proportional to use, etc.). Proportional to investment in matters of financial or economic contracts, otherwise, one member-one vote. However, in Biosabor consensus is the goal in decision making, given the small number of members, some of whom are related family members.
5. Describe in a few words the main benefits for members or owners. Ability to have more control over business focus and to differentiate product and to make necessary investments in the company.
6. Indicate any <u>main changes</u> in ownership over the lifetime of the entity. The main change occurred when the group of members split off from Costas de Níjar.
C. Corporate Governance
1. Describe the governance structure of the entity Maximum authority is the General Assembly, where decisions are taken by a majority of members. Board of directors - elected by the General Assembly by a majority. In SATs where the number of members is less than 10, the General Assembly functions as the Board. President - Statutory position which includes representation of the entity.
2. Is there an entity or process for oversight of the board? The General Assembly in the case of sufficient members. Otherwise, no.
3. Are there external independent board members? No
4. Are there term limits for board members? No

5. What is the gender composition of the board? 30% (tbc)
D. Profit/ benefits/ surplus distribution policies
<p>1. Voted on by General Assembly. Determined in proportion to capital contributions. No obligatory reserve fund or education and promotion fund (which cooperatives have). In Biosabor, funds have been reinvested as needed by the entity.</p> <p>2. Liability is either limited or unlimited, depending on bylaws.</p>
E. Strategy: highlight approaches adopted to address the identified challenges
<p>1. Describe briefly the business strategy</p> <p>The most important strategies taken by Biosabor, since its creation:</p> <p><u>Specialisation Strategy.</u> Given the fragmented market of organic product, Biosabor decided to specialise in the production and marketing of tomato sold on the vine, since this is a product highly valued by consumers of organic product. Its investments centered on achieving a tomato with high added value. Although it sell other varieties of tomatoes and F&V such as watermelon and cucumber, 80% of its production is dedicated to this star product. Sus inversiones se centraron en conseguir un tomate con un gran valor añadido. Thanks to this strategy, Biosabor has become the market reference for organic tomatoes in EU markets. Given their success with this product, Biosabor has decided to invest part of its benefits in the specialization of other products such as cherry tomato and ribbed tomato (irregular).</p> <p><u>Differentiation Strategy</u> Biosabor chose the organic sector in which to differentiate itself from its competitors. The market for organic fresh foods was fragmented and lacked strong market players. Its total control of quality contributed to this strategy as well, as Biosabor controls all processes from seeding, production, harvest and post-harvest until the delivery to the client.</p> <p><u>Concentric Diversification Strategy.</u> Investments in installations and machinery have been made to introduce new fresh products, but more significant are the prepared and ready-to-eat products which constitute a new business for Biosabor and represents important benefits such as eliminating the cost of food loss, entering new markets and higher margins.</p> <p><u>Vertical Integration Strategy.</u> Pursuing collaborative contracts with large supermarkets, the Horeca sector, schools, etc. has allowed Biosabor to eliminate intermediaries in the processes of distribution, shortening supply chains and creating economies of scale.</p> <p><u>R+D+i Strategy.</u> Investment in Research is one of the principle strategies of Biosabor, resulting in improvements in processes, production techniques, quality, and the reduction of environmental impacts. It collaborates with universities and research centers in order to innovate.</p> <p><u>Horizontal Diversification Strategy.</u> Recently, it has initiated in new installations a greenhouse fish hatchery for the reproduction of tilapia, using agricultural water to carry out a complementary activity. It is one of only two companies in Spain involved in such activity.</p>
<p>2. Describe briefly the relation between the business strategy and the social mission of the enterprise.</p> <p>Biosabor tries to more efficiently use agricultural resources for the benefit of its members, improve the Almería rural population and take care of the environment in</p>

which it carries out its activities. It chose to use the SAT form so that it could include new members and obtain necessary financing to pursue innovative business activities. Through its strategies, it aims to achieve an environmentally sustainable production system which also benefits its consumers by providing nutritious and organic food. Its activities are carried out in small rural towns thus providing employment and revitalizing the rural zones, maintaining rural areas, conserving biodiversity and improving the fertility of the soil.

3. Describe briefly the strategic partners or alliances that the enterprise has.

- Collaborations with Research centers and universities to develop and improve production methods and the quality of the products. It is a member as well of the Tecnova Foundation, a public-private innovation initiative for the agricultural sector.
- Collaboration with other businesses in the area to establish a certification of origin. Incorporation of an IGP (Indication of Geographic Protection) which assures both quality and prestige at the EU level.
- Distribution agreements with large supermarkets that open doors to foreign markets (Lidl, Rewe, Edeka, Metro and Mercacenter).
- Agreement with a cooperative “Arteoliva”, in whose installations Biosabor’s ready-to-eat food is packaged.
- Team work with other sector companies to sell products online.
- Support (subsidies as well as excellence awards) from the regional government of Andalucía and the EU to carry out various innovation projects.

4. Please describe briefly the methods and practices of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.)

Biosabor maintains fluid communication with the various interest groups. Recently it has significantly improved its website.

- Members: Contact with members is habitual and direct, as they are directly involved in decisionmaking in the business. Its webpage has a dedicated section to the farms (Fincas), which allows direct communication with members. The 20-30 agricultural technicians act as a knowledge network and as the link between the enterprise and the member growers. The technicians visit the farms and understand the member issues and can pass on information to the entity.
- Public Authorities: Since Biosabor utilizes some subsidies offered by the regional authorities, transparent communication is vital. The company supports the administration in various events which concerns common business activities.
- Employees: Employees are responsible for quality production—the company must have faith in them and rely on them to keep such high organic standards. In this regard there is open communication, where the opinions of the workforce are sought out, and where feedback is constant on workplace practices. Biosabor also provides high standard housing and other services for its workers—basically everything they need to fully integrate. This is an important social element and should be seen as a positive and pro-active solution, against the background of the plight of many agricultural workers throughout the EU, especially those from Eastern Europe, Africa and South America.

- Society:

- Collaboration with associations and organisations in projects oriented to improving health and well being of those in most need.
- Patron of sporting activities (where financing is scarce in small communities and where sports acts as a cross cultural “glue”).
- Support for and implication in environmental organisations.
- Active use of social networks.
- Nutritional advice offered to the general public online “Ask Anna”, in collaboration with an accredited pharmacist/nutritionist

5. Innovation

Biosabor has created a business culture where the continuous improvement of systems, processes and strategies translates into organisational innovation and thus, competitive advantage. A substantial part of benefits are re-invested into improvements and R+D into areas such as efficient use of resources, cost reductions, effective machinery and process innovation, new organic products, natural cultivation techniques and the eradication of harmful substances and toxic fertilizers. The treatment of its workers (provision of housing and all necessary services) also demonstrates an important social innovation in the area.

Biosabor has won various innovation/social innovation related prizes, including the Best Business Revelation (2015), Neighbourhood Actions (2013) and “stars of the internet”(2014)

6. Human resources - personnel

In peak moments, the workforce includes approx. 250 workers. It has 5 members and 13 collaborating members.

F. Outcomes: results achieved and lessons learned

2014: 20 million Euros turnover; 16 million tons of product

Social benefits to members: better prices, access to specialized markets, support for producing in a demanding quality environment

G. Describe in a few words the broader social / environmental impact in your community – spill-over effects, in the last 3-5 years.

- Promotion of rural development and the creation of employment in remote areas and small towns, leading to the revitalization of such areas.
- Improve the quality of life of general society, through raising awareness of health issues, promotion of sports, etc.
- Commitment to protect the Environment through both production methods and also support for environmental associations.

Title 4: Planning your social enterprise start - up

Short description

The business plan is a decision-making tool. It is important for social entrepreneurs to know the key elements of a business plan and to use effective planning tools for their start - up.

Topics:

- Key elements in elaborating a business plan
- Gantt planning tool
- OPERA Method

Learning outcomes

- Understanding the logical flow of a business plan
- Learning how to use Gantt Chart - planning tool
- Learning how to use OPERA Method in the process of setting up a cooperative

Supporting material:

1. Worksheet for group activity
2. Gantt Chart
3. OPERA Method
4. Files A: How do we make a business plan? and File B: OPERA Method

Activity 4.1 How to plan your social enterprise start up using Gantt Chart

In small groups, decide on your social business idea. Using File A on *How do we make a business plan*. Key elements and the *Worksheet Gantt Chart*, plan in details your social enterprise start-up for the first year of activity (12 months).

Gantt Chart

	Month 1				Month 2				Month 3				Month 4				Month 5 etc...			
Activity 1																				
Sub-activity 1.1																				
Working Package 1.1.1																				
Working Package 1.1.2																				
Sub-activity 1.2																				
Working Package 1.2.1																				
Working Package 1.2.2																				
Activity 2																				
Sub-activity 2.1																				
Working Package 2.1.1																				
Working Package 2.1.2																				
Sub-activity 2.2																				
... etc																				

Activity 4.2 How to set up a cooperative using Opera Method

Note: This activity is proposed by Coompanion, Sweden, who is certified user of the OPERA method, C© Innotiimi Oy, www.innotiimi.com, <http://www.innotiimidigitalservices.com/>

In your group, use Opera Method in the process of setting up a cooperative, for different stages: establishing business idea, establishing vision and mission of the cooperative, planning the cooperative.

4.2.1: Business Idea

Questions	Own answers	Group answers
You need to know the needs of the market - is there a space for your idea?		
You need to keep up with the evolution of the market where new products / services are in demand		
You need to know what the ‘problem’ is and how to solve it (which is the core of innovation)		
You need to be able to demonstrate that customers are willing to pay for the products / service that you are offering		
You need to be able to identify and analyse future threats and opportunities, which is a key to create a successful business?		
.....		

4.2.2 Vision and Mission

Open Questions	Own answers	Group answers
What is your goal and your vision with the cooperative?		
What are we going to do to get there?		
.....		

4.2.3 Planning of activities

Questions	Own answers	Group answers
How should the company be managed?		
Which role does every individual have within the company?		
What is the role of the board and how often should it meet?		
Which principles (in terms of decision process) should be the guiding light of this particular company?		
How should the daily work within the company be allocated and how should daily routines be organized?		
In what way should responsibilities be shared?		
.....		

O Own suggestions	P Pair suggestions	E Explanations	R Ranking	A Arranging

1. File A: How do we make a business plan? Key elements

Stage 1: Establish **the idea of a business**, which should be very clear about the products / services that will be produced and marketed.

It is advisable to analyze the business idea through the SWOT Analysis.

Stage 2: Develop the marketing plan.

A business marketing approach means getting started from the needs and wishes of customers and building the whole business to meet these needs.

The elements of the marketing plan are:

1. Market description

- It is the general segmentation of the market.

2. Identify the target market segment

- It consists in the actual segmentation of the market, considering customer motivation and market trend (expanding market, declining market, recession market).

3. Competition and other influences

- It will analyze: the degree of competition, future sources of competition, barriers to entry, and other influences.

4. Marketing strategy

- It is a mix of marketing: sales and distribution, price, promotion and public relations, location and layout, feedback, other elements

Stage 3: Develop the Operational Plan

What is an operational plan?

- 1. Define the activities necessary for social enterprise's implementation.***
- 2. The duration of each activity is estimated.***
- 3. Order the activities in a logical sequence.***
- 4. Establish the resources you need for each activity: material resources and human resources.***

We recommend an effective planning tool: use the ***Gantt Chart***. Thus, the timing of the activities of your social enterprise can be done very simply using this tool, which presents all the activities in the form of bars according to time. The horizontal axis of the Gantt Chart is a time scale that can be expressed in both absolute (calendar, e.g. January 2017 - December 2017) and relative to the initial time of the project (first month, second month, etc.). The resolution depends on the duration of the social enterprise project, typical units being months or weeks. The ranks / bars of the chart are the start and end dates of each activity / sub-activity / work package.

In determining the resources needed for each activity, it is important to evaluate the required spaces and equipment, as well as the human resources:

Spaces and equipment

They must meet certain basic requirements:

- provide security for people and operations;
- be appropriate for a particular function;
- provide a pleasant or at least acceptable environment for people;
- be economically advantageous;
- space must have a location which the customers, suppliers and employees likes it.

Human resources

Judicious planning of:

- number of employees
- the type of new employees - job descriptions
- the method of finding and recruiting staff
- the selection, hiring procedure
- coordination of human resources
- staff fidelity.

Also, with regard to human resources policy, it is advisable for the social enterprise manager to consider all the legal elements regarding the hiring of staff and their relation with the social enterprise: Individual employment contract, Job Posting (+ Professional Assessment Documents), Aptitude sheet - Labour medicine, Assessment of risks of injury and occupational disease - Prevention and protection plan, Work safety training, Social Enterprise Internal Regulation, Organization and Functioning Regulation

Stage 4: Develop the financial plan

The financial plan translates into figures the previous stages and validates (or does not) the sustainability of the social enterprise. The financial plan provides a minimum 2-year forecast for the following financial statements:

1. Statement of Income and Expenditure - A forecast of social enterprise incomes and expenditures will be prepared to see the financial result and when the social enterprise can reach the breakeven point.

In advance, it is necessary:

- To determine the incomes (turnover) - it is recommended in this sense to elaborate a chart of sales;
- Set costs, considering the two major types of costs - fixed and variable.

In everybody's language:

BREAK EVEN POINT - when we manage to cover the expenses from incomes

PROFITABLE - to succeed to have more incomes than spending

SUSTAINABLE BUSINESS - a self-sustaining business - covers the expenses from incomes

RENTABILITY INDICATOR - measures the return rate

$$\text{Net Profit Rate} = \text{Net Profit} / \text{Turnover} * 100$$

2. **CASH-FLOW Forecast (Liquidity Flow)**

By cash, we understand the amounts available in the company (cash) and the amounts available in bank accounts (current accounts or bank deposits). The cash flow represents the strength of the entire business plan.

BE CAREFUL! Profit \neq net cash flow

The benefits of liquidity forecast are:

- Plan the efficient use of cash.
- Identifies the priorities for payment of the enterprise's obligations.
- Quantifies the importance of unexpected business changes.
- Estimates the amounts of money to be borrowed in order to finance monthly / yearly operations.

3. **Balance sheet**

An accounting balance reflects at one time everything that is in the ownership of the organization and all that owes it to third parties, including assets and claims (called assets) and liabilities.

A balance sheet contains two types of information:

1. **Assets** and
2. The **liabilities** of the organization.

- **ASSETS** represent the resources of the organization. They can be divided into fixed assets (fixed assets) and current assets.
- **LIABILITIES** represent any amounts due to third parties and those financing the company, including the funds of the associates (social capital).

The balance sheet is an important accounting document for the social enterprise manager who needs to understand what this document says about his/her organization, even if he/she does not have or need to have any accounting knowledge.

We recommend the forecast of the first two financial statements indispensable to a social enterprise, first in base of the attached working sheet.

2. File B: OPERA method

OPERA is an efficient method for working in groups, above all for work meetings. In OPERA, a systematic way of working is combined with a creative process for solving problems. Together these merge into the best available perception based on the participants' knowledge and experiences. Another significant aspect is that the OPERA method engages those affected by the question. A participative approach is important in order for people to commit themselves to the result of the process.

OPERA meeting session can be held partly or completely without common meeting date and time. However, content can be created and refined together, independently from time and place, even during a timespan of several days.

Learning outcomes: to help teams to activate and involve the attendees as well as manage their information exchange better in meetings.

Estimated time duration: approx. 8 hours

OPERA differs from traditional forms of group work or meeting methods, above all because:

- All participants are active all the time. During ordinary meetings a few people talk while the rest are kept silent.
- Time is used efficiently. The method avoids the common “time thieves” such as getting caught up in irrelevant details, competing about that possesses the best expertise, or quarrelling about who is right or wrong.
- The method leads to collective, structured views on the matters under processing.
- The participants liberate new energy and express this through enthusiasm, good spirit and implemented tasks.
- The participants leave the OPERA meeting in a good mood without feeling that matters need to be reconsidered again afterwards.

The Basic Process

The kernel of the work method is a simple procedure that enables you to collect the variety of opinions of the participants and join them into one view and a consensus decision on how to proceed with the matter. Between the

leading question and the decision, the process goes through six intermediate phases:

1. The Task

The process starts with the presentation of the task, usually as an open question.

2. Own Suggestions

The participants ponder the leading question individually and put down the thoughts it evokes, each participant on her/his own piece of paper.

3. Pair Suggestions

The participants discuss their written thoughts in pairs. They note their most important suggestions on separate pieces of paper. These are then attached to the work board for everyone to read.

4. Explanations

Each pair briefly explains to the rest of the audience the suggestions they have attached to the board.

5. Ranking

Each pair selects, in accordance with agreed selection criteria, the most important ones of all their suggestions. They mark their choices on the work board.

6. Arranging

The facilitator arranges the suggestions on the work board according to the themes, following the instructions of the participants

How to Utilize the Process

Originally OPERA was utilized as a problem-solving method in connection with organizational development. It has proved to be at its very best in making everyday meetings more efficient. Areas and modes of application:

- Department meetings, group meetings
- Projects in different phases
- Education and learning
- Teams
- Manager-subordinate relations
- Voluntary work
- Creative problem-solving

- Processes for total organizational change
- Athletic training
- Visionary and strategic processes, value processes
- Decision-making groups, steering groups

Part 2: SOCIAL/LABOUR COOPERATIVES

Title 1: Choosing to establish a coop instead of another form of enterprise?

Short description

Cooperative enterprises are a different business choice which can be implemented in all economic sectors. They are inspired by values and principles stated by the International Cooperative Alliance (ICA). The cooperative laws and specific regulations govern the social cooperative sector.

Topics:

- Definition of a cooperative
- Cooperative values and principles
- Main differences between a private company and a cooperative

Learning outcomes

- Understanding how cooperatives are a different kind of business
- Understanding the difference between Principles and Values
- Identifying ways of putting ICA values and principles into action

Supporting material:

1. Worksheets for group activity
2. ICA values and principles
3. ICA definition of a cooperative
4. File A - Cooperative values and principles, File B - Comparative perspective between cooperatives and other enterprises and File C - Green social enterprises /cooperatives
5. Case studies

The contents of the material

Activity 1.1 What is a cooperative?

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

Statement on coop identity - ICA 1995

In a small group, analyze case studies no. 1 Risto3, no. 2 SAD, and no. 3 Gruppo 78 and identify the following main aspects, giving examples:

Autonomous	Association of persons united voluntarily	Common economic, social and cultural needs	Jointly owned	Democratically controlled enterprise



Activity 1.2 What are the cooperative values and principles?

In your small group, analyze the case study and discuss if and how the cooperative principles and values are implemented.

Values	Definition	Example in the case study 2 and 3
Self-help	In co-operatives people help each other whilst helping themselves by working together for mutual benefit	
Self-responsibility	Individuals within cooperatives act responsibly and play a full part in the organization	
Democracy	A cooperative is structured so that members have control over their organization	

Equality	Each member will have equal rights and benefits (according to their contribution)	
Equity	Members will be treated fairly and justly	
Solidarity	Members will support each other and other cooperatives	

Principles	Definition	Example in the case study 2 and 3
Voluntary and open membership	Cooperatives are voluntary organisations open to everyone willing to accept the responsibilities of membership, without discrimination.	
Democratic member control	All members have an equal voice and a right to participate in decisions and policy making. Officials and elected representatives are accountable to the membership.	
Member economic participation	The capital of a cooperative is controlled democratically by its members and for their benefit. The basis of allocation of surpluses is approved by the members.	
Autonomy and independence	Cooperatives should always be controlled by their members, even when they enter into agreements with the government and other organisations.	
Education, training and information	Cooperatives are committed to the development of their members, representatives and staff in order to make the cooperative effective. They inform the public and young people of the benefits of cooperation.	

Cooperation among cooperatives	Cooperatives work together at local, regional, national and international levels to achieve their aims.	
Concern for the community	Cooperatives work for the sustainable development of their communities.	

Activity 1.3 *What are the differences between cooperative values and principles?*

In your group, list how you would implement cooperative values and principles in your future social/labour cooperative in order to answer to the cooperative requirements. Are there any principles or values you think need to be strengthened?



Activity 1.4 *Main differences between cooperative and other forms of enterprise*

In your group, list what you think are the main differences between a cooperative and other form of enterprises. Then, check your answers with the “check paper” and continue the discussion

Cooperative	Other form of enterprises

3. File A – Cooperative values and principles

Cooperatives adopt the following values and principles:

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members also believe in the ethical values of honesty, openness, social responsibility and caring for others. Co-operators throughout the world share a set of values that give them their distinctive character:

1. ***Self-help***: is based on the belief that all people can and should strive to control their own destiny. Co-operators believe that full individual development can take place only in association with others. As an individual, a person is limited to what they can do or achieve. Instead, through joint action and mutual responsibility, people can achieve more, especially by increasing a collective influence in the market and before governments.
2. ***Self-responsibility***: means that members take on the responsibility for their cooperative, for its establishment and continuing vitality, for ensuring that it remains independent from other public or private organizations. Members also have the responsibility of promoting their cooperative among their families, friends and acquaintances.
3. ***Democracy***: is implicit in the structure of a cooperative so that members have control.
4. ***Equality***: forms the basis of a cooperative. The basic units that make the cooperative are the members, i.e. a person or a group of people, which is one of the main features distinguishing a cooperative from organizations controlled primarily in the interests of capital. Members have rights of participation, a right to be informed, a right to be heard, and a right to be involved in making decisions. Members should be associated in a way that is as equal as possible, which can sometimes be a difficult challenge in large cooperatives or in federations of cooperatives. In fact, concern for achieving and maintaining equality is a continuing challenge for all cooperatives.
5. ***Equity***: refers primarily to how members are treated within a cooperative, i.e. equitably and fairly in the rewards for their participation in the cooperative, normally through patronage dividends, allocations to capital reserves in their name, or reductions in charges.

6. ***Solidarity***: ensures that cooperative action is not just a disguised form of limited self-interest, but means that cooperatives stand together. Members have the shared responsibility for the collective interest of the cooperative's members, aspiring to the creation of a united Cooperative Movement, locally, regionally, nationally, and internationally. They cooperate in every practical way to provide members with the best quality goods and services at the lowest prices, working together to present a common face to the public and to governments. They accept that there is a commonality among all cooperatives, regardless of their diverse purposes and their different contexts. Solidarity is the very cause and consequence of self-help and mutual help, two of the fundamental concepts at the heart of cooperative philosophy, which distinguishes cooperatives from other forms of economic organizations.

Cooperative members also believe in the ethical values of **honesty, openness, social responsibility and caring for others.**

Principles







1. ***Voluntary and open membership***: cooperatives are voluntary organisations open to everyone able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
2. ***Democratic member control***: all members have an equal voice and a right to participate in decisions and policy making. Officials and elected representatives are accountable to the membership.
3. ***Member economic participation***: the capital of a cooperative is controlled democratically by its members and for their benefit. The basis of allocation of surpluses is approved by the members.
4. ***Autonomy and independence***: cooperatives should always be controlled by their members, even when they enter into agreements with the government and other organisations.
5. ***Education, training and information***: cooperatives are committed to the development of their members, representatives and staff in order to make the cooperative effective. They inform the public and young people of the benefits of cooperation.

6. **Cooperation among cooperatives:** cooperatives work together at local, regional, national and international levels to achieve their aims.
7. **Concern for the community:** cooperatives work for the sustainable development of their communities.







File B – Comparative perspective between cooperatives and other enterprises

<i>Social cooperatives</i>	Represent the type of cooperative that is undergoing most development. Their mutual aim is guaranteed by the normal exercise of the activity connected to social services and education and in promoting work reinsertion of disadvantaged peoples
<i>Worker and labour cooperatives</i>	Their primary statutory aim is to create and guarantee the employment of their members at the best market conditions.

J o i n t s t o c k c o m p a n y

-  **1 share = 1 vote**
-  **Owner shareholders**
-  **Aim : profit**
-  **Dividends & capital gains**
-  **Asset divisibility**
-  **No external control**

C o o p e r a t i v e

-  **1 person = 1 vote**
-  **Member owner & user**
-  **Aim : mutuality**
-  **Surplus & best conditions**
-  **Asset indivisibility**
-  **Public control (revision)**

Differences between coops and other kind of enterprises:

ASPECTS	ORDINARY ENTERPRISE	COOPERATIVE ENTERPRISE
Conditions for entry	None	Requirements
Share capital available	Unlimited	Limited
Partecipation in profits	Unlimited	Limited
Supervisory body	No	Yes
Possibility to change the enterprise	Yes	Only for another cooperative
Asset distribution in case of dissolution	To shareholders	To mutual funds/to a similar organization - as specifically defined in national legal framework and /or statutory documents (may vary by country)
Representation of members	Capitalist principles	One-man-one-vote
Company goals	Profit	Mutualistic

File C – Green social enterprises /cooperatives

Even one cannot make a distinctive differentiation among the set-up and functionality of a green social enterprise/cooperative compared to other forms of cooperation, there is still the distinction that one can identify when we speak about: the main activities that it develops (object of activity) and, respectively, the business strategy and the management of the enterprise (to what extent sustainable development principles are applied and observed during the life cycle of the business).

In general, **green social cooperatives** operate in small-scale farming, cultivation, processing of products. They also provide other services such as domestic services, gardening, moving service, dog daycare, second hand mm. The activities of the cooperative are developed on the basis of the knowledge and conditions of co-operative members and employees. In many cases, local social capital is capitalised upon, with a view to solving a local need by involving local people. Several examples can be compared: ***Lantgården Economic Association (Sweden)*** (www.lantgarden.com) - combines a public farm with a Work Integration social enterprise where people further away from the labour market (due to long time sickness, unemployment, disabilities or newly arrived to the country) may work on the farm, mostly paid for by the Working Agency of Sweden; ***Kooperativet Laxen Economic association (Sweden)*** (www.kooperativetlaxen.se) - creates work places for marginalised people, by providing services to local government, local residents etc (Snow shovelling, grass cutting and other gardening activities, Tree felling and clearing work in the forest, Transportation and relocation assistance, Carpentry and furniture restoration, Sewing and textile care, cleaning of premises); ***Ateliere Fara Frontiere (Romania)*** (www.atelierefarafrontiere.ro) - ensures work integration of disadvantaged groups, collecting, reusing and recycling WEEE and upcycling into bags publicity outdoor waste, collecting food waste and composting, producing organic vegetables and direct distribution to consumers.

Even less spread in the partner countries, we could identify still the *Community Supported Agriculture model* (in Swedish "Andelsjordbruk"), as a solution to the problem of economic sustainability in small-scale, diverse farming. It strengthens the bond between consumer and producer, and gives the consumer a sense of how the food is being produced. Details can be found on: <http://www.alternativ.nu/bossgarden/>, as well as in the case study on Hellidens Trädgårdar (The gardens of Helliden) - www.hellidenstradgardar.se.

On a larger scale, when we speak about **green industry activities**, we face social enterprises that have land, forest, tree farm or rural environment as basic resources.

In rural areas of both Sweden and Italy, a range of renewable energy projects work collaboratively to provide decentralised energy that is owned and managed either by communities or farmers including:

- Community owned wind power
- Community district heating powered by biomass and biogas
- Farmer owned biogas and biomass production

There is considerable scope for rural community energy partnerships like these to be developed!

(See Best practice: Qvinnovindar (Sweden) - www.qvinnovindar.se and also Consorzio Elettrico Industriale di Stenico s.c. (Italy) - www.ceis-stenico.it)

“Those co-operatives that have succeeded have done so because they’ve approached environmental behaviour as a membership engagement issue and not simply a building issue or an environmental issue. You don’t need to be an expert on solar panels or wind turbines to do this, you just need to be good at persuading people to do things and holding their hand to support them to make lifestyle changes.” (Phil Beardmore, Confederation of Co-operative Housing)

4. Case studies

Note: Case study no. 2 SAD is included in Part 1 – Title 3

Case study 1 - Risto3
Website of the enterprise: http://www.risto3.it/
Legal organisational form: Cooperative society, sub-category ‘work and services’
CONTEXT AND HISTORY
Risto 3 is the result of the unification of the Cooperative catering's section within the Province of Trento.
Indeed, Risto 3 is the fusion of two collective catering cooperatives: CO.RI.SO. “Cooperativa Ristorazione Sociale” (Social Catering Cooperative) of Trento and CO.R.I.P. “Cooperativa Ristorazione Perginese” (Pergine Catering Cooperative) of Pergine, which merged in 1990 in order to adjust the activity to a provincial scale. This union gave birth to RISTO3 “Ristorazione del Trentino” (Trentino Catering), whose activity officially started on January, 1st 1991. Over the years, the cooperative has grown, it has affirmed itself in several catering sectors, and has started dealing also with the private sector, increasing its dimensions as well as its professionalism. Risto 3 has what it takes to compete on an even footing with national enterprises and multinationals, and stands out as leader collective catering enterprise within the territory.

The elements that today distinguish the cooperative mission have been divided into three categories:

1. Members and partners:

- Ensure partners and employees' career continuity by improving their working, professional and economic conditions;
- Develop a dynamic and harmonious cooperative by promoting self-management through involvement, participation, education and information;
- Promote women's job opportunities and social achievements to facilitate the integration of workers belonging to weaker categories.

2. Territory and Community:

- Consolidate the cooperative roots in Trentino and develop cooperative models in neighboring areas;
- Contribute to the economic, social, and environmental improvement within areas of competence;
- Form alliances, sign agreements and promote collaborations with institutional bodies and companies, giving priority to the cooperative sector.

3. Service, Clients, Market:

- Improve service qualitative standards to ensure client satisfaction;
- Strive for the highest level of food safety;
- Give preference to local products of quality.

LIFE CYCLE

i) Conditions which allowed start up and founding as well as implementation

The history of Risto3 began in 1979, when a group of cooks founded the cooperative CO.R.I.SO (Cooperative of Social Catering) after the dissolution of the school charity they worked for in a bid to keep their jobs.

ii) organisational design—why was the legal form chosen, why were certain governance models chosen, stakeholders, etc.;

Few years later in 1982, some employees of the company managing the Centro di Cottura (catering kitchen) in Vigalzano near Pergine, formed the cooperative CO.R.I.P. in order to compete with the Centro di Cottura's expiring contract. After a period during which they operated separately and autonomously, these two cooperatives merged together on January 1st 1991 and formed the RISTORAZIONE DEL TRENTINO cooperative, which subsequently changed its name into RISTO

iii) growth and expansion of the SE, focusing on the various resources (finance, voluntary, etc.) mobilized at each stage;

Thanks to an internal reorganization, Risto3 rapidly affirmed itself as a real social enterprise and pioneer in its field, managing to buy its first self-service restaurant in the early 90s. Initially active only in the field of catering for school and company

canteens, it progressively expanded its areas of competence also to healthcare structures and hospitals. In order to partially emancipate from the “Public” client, it started opening “fast restaurants” and established relationships with private companies. In order to implement this new strategic plan, necessary in order to reach the goals set, Risto3 made massive economic investments.

Risto3 has undergone a progressive development not only in terms of numbers but more importantly in terms of professionalism, of attention to the product, of service quality and of fulfilling people at a social and cultural level. Over the years, Risto3 has established itself as leader cooperative within the sector of catering, with its members and employees providing clients with excellence in food, preparation and distribution.

In 2011, from the few initial members, Risto3 already boasted 1000 people employed in the cooperative catering sector within the province of Trento. Thanks to its members, employees and collaborators, today Risto3 is the biggest worker cooperative in Trentino, managing 6 self-service restaurants in Trento, 2 in Rovereto, one in Borgo Valsugana, and one in Feltre, for a total 200 kitchens.

In 2001, the cooperative's mission was reviewed not only for stylistic reasons, but also in order to make its elements even clearer and sharper. The management of the cooperative and the attention to its staff, clients and community allowed Risto3 to continue as an enterprise whose economic values are at the service of individual social development. To this end, it is of paramount importance to have an approach that enables people to work together to establish new economic and value systems together with their colleagues, the community, and the local territory.

iv) Any crisis (small or large) moments along the way? Or moments that were not a crisis but required some changes? How were these resolved/addressed?

It is not possible to speak of a particular or single moment of crisis. However, it is possible to identify some elements that have led the cooperative to make changes. Firstly, during the last few years Risto3's reference market - that is, the catering market - has changed much faster than in the past (e.g. the request of more and more professionalism, the sanitary standards, the need to consider the increasing food intolerances and allergies).

Moreover, after the recent normative change - which provides for a higher involvement of enterprises in local invitations to tender - the cooperative had to find a balance between the high quality standards characterising its core-business and the competitive price policies of other companies.

Finally, Risto3 had to face the recent economic crisis. Still now, a lot of its female collaborators have to economically support their families, as most of their partners and husbands who used to work in the housing sector are currently unemployed or redundancy workers. For this reason, Risto3 has decided to provide subsidies to its employees, as for example the Solidarity Fund.

CORE BUSINESS MODEL

Company strategy has always been to provide services that are required in the local territory, by employing local resources (0km foods, primary goods, etc.), and welcoming disadvantaged categories (immigrants, women, etc.) to become member workers. Fine quality of service and materials is essential to the cooperative mission, which also guarantees a firm foundation on the market and so a competitive standing. Risto 3 operates locally with both public and private sectors mainly within the region of Trentino in the following areas:

- commercial catering (self-service restaurants, cafés);
- catering for businesses and conventions (for employees of partner companies);
- catering in the health sector (for hospitals);
- catering for the elderly (private and public residential facilities, meals on wheels, meals provided in homes for the elderly);
- school catering (for students and employees of schools, colleges and universities);
- catering (private and public events, anniversaries) for both individuals and companies;
- support services and consultancy services (for public and private).

INSTITUTIONAL /GOVERNANCE STRUCTURE

The most important body of the cooperative is the Assemblea dei soci (members' assembly) which elects the Consiglio di Amministrazione (the Board) every 3 years. In turn, the Board elects the President and one or two Vice-Presidents.

Risto 3 is characterized by a clear division between a socio-political part and a technical-operative one, led by the General Manager who is appointed/confirmed every 3 years. In order to facilitate a permanent link between the political part (CDA) and the technical-operative one, a Comitato di Presidenza (Presidency Committee) has been established, which calls for the participation of both the President and the General Manager. Other important roles are: Area Managers, Service Supervisors, coordinators (who function as link between the central offices and the operative structures distributed on the territory), managers of each structure, and the operative staff.

EXTERNAL RELATIONS

Risto 3's geographic area of reference is Trentino, in which it was founded and which represents the main source of its turnover. The cooperative works together with public (schools, Comunità di Valle¹, Azienda Provinciale per i Servizi Sanitari², healthcare facilities) and private bodies (companies, residential facilities for the elderly, private clients). The cooperative structure, consisting of

coordinators deployed around the Trentino region, allows Risto 3 to efficiently manage all its branches.

Moreover, Risto3 is member of the Trentino Cooperative Federation, which represents, assists, protects and checks the cooperative movement in the Province of Trento. It is also member of Consorzio Lavoro Ambiente, a cooperative consortia of worker cooperatives aimed at creating job opportunities for its members by supporting them from a technical-commercial, organizational, legal, and economic point of view. Finally, Risto3 also carries out their activity outside Trentino.

IMPACT ANALYSIS

Risto 3 is deeply rooted within the territory and offers its services in several areas surrounding the main city of the Province of Trento, with more than 260 branches.

INDICATORS

The cooperative's impact on the territory is measured through a SOCIAL REPORT, whose aim is to show and communicate outcomes and spill-over effects to stakeholders. The Social Report is distributed to all members and main clients.

SOCIAL COHESION AND WORKERS' WELL-BEING

The female presence within the cooperative has always been very high - 91% in 2014. For this reason, the conciliation policies between work and family life are of great relevance. Since 2012, Risto 3 is part of the provincial project “Family Audit”, and in cooperation with a small and trustable work team is setting down the 2016 action plan. The cooperative offers several initiatives and benefits to its members and employees, among which:

- Cultural field (e.g. library, free-registration to training provided by the Ente Bilaterale del Turismo (Provincial Tourism Board), discounts on theater tickets, etc.);
- Establishment of the Solidarity Fund “Risto 3 Insieme” (Risto 3Together) shared by all employees aimed at supporting specific needs expressed by workers;
- Agreements with the healthcare sector;
- Schedules and work flexibility in order to conciliate work and family;
- Different saving opportunities with several local organisations (insurance companies, medical assistance cooperatives).

ENVIRONMENTAL IMPACT EVALUATION

Environmental protection is based on the principle of preventive action, aimed at avoiding pollution and waste. To this end, the choice of equipment and raw materials is of paramount importance. In 2014, Risto3 has been awarded for its commitment to constantly reduce the use of PET plastic bottles for commercial catering services. The cooperative adheres to the local certification ECORISTORAZIONE (Eco-catering), which requires a compulsory presence of certain foods in daily menus, e.g. locally sourced foods, organic foods, tap water, etc. Finally, Risto3 collaborates with other local organisations for an optimal management of “food waste”.

Case study 3 - Gruppo 78 - Social solidarity cooperative society (Italy)

Website of the enterprise: www.gruppo78.org

CONTEXT AND HISTORY

Italian Social Cooperation has a recent history. It started over the 70s and the 80s, a period in which the society, undergoing considerable cultural changes, welcomed civil rights such as the right to work, the right to family, the right to health and social rights. It is in this context that Gruppo78 was created, through the initiative of 10 persons, 6 of whom affected by handicap, as an association inspired by the model of “Comunità di Capodarco” which is an ONG set up to respond to problems of the poor and the marginalized, with special attention to the disabled.

Their objective was to promote the re-insertion of people with physical disabilities within the society. Over the years, the group developed and changed: it changed its juridic form from association to A-type cooperative; it adjusted to the societal changes trying to answer to different types of disability and offering new opportunities – also work-related – to weaker and marginalised people.

Today, as yesterday, the cooperative is very attentive in listening to society and to disadvantaged people, emerging as a community social enterprise.

The cooperative's ability to listen to the community enabled Gruppo78 to respond to emerging needs, e.g. the issue of sharing accommodation as a method to face economic, social and health problems. Another need the cooperative adapted to related to the presence of migrants on the territory, in particular the Sinti population.

LIFECYCLE

i) Conditions which allowed start up and founding as well as implementation

At the end of the 70s the need and the desire to facilitate the re-insertion process of people with physical disabilities within the society, led to the creation of an association inspired by “Comunità di Capodarco”. It was created by a group of ten people, six of whom affected by disability.

ii) organisational design - why was the legal form chosen, why were certain governance models chosen, stakeholders, etc.;

The first organizational approach was built on the values of sharing, self-management, and self-financing, the latter being achieved independently until 1984. The financing was raised partially through the sale of their paintings and craftwork and partially through public subsidies for disabled people, jointly stored in a common treasury. At a later stage it became social cooperative.

iii) growth and expansion of the SE, focusing on the various resources (finance, voluntary, etc.) mobilized at each stage;

In 1981, due to the need of having a juridical form in order to guarantee the possibility of working for all the people involved in the association, including the disabled people, and also to safeguard the mutual nature and shared management, they adopted the form of social cooperative type A. called

“Cooperativa Gruppo78”, increasing their areas of intervention and new working activities. It is in these years that new needs emerged, confirmed by the requests of intervention from the social services of the territory. New weak segments of the population emerged alongside people with physical disabilities: prisoners, drug addicts, and people with other problems and mental disorders. Gruppo78 therefore decided to focus its action mainly in the field of mental health (considering also the promulgation of the Basaglia Law 180).

This period saw the beginning of agreements with the local public authority and relations with the new born Consortium of the Trentino social cooperation Con.Solida2, which grouped together almost all the social cooperatives arising in those years. In 1991, Gruppo78 decided to operate as a type A solidarity cooperative. Driven by the constant desire to respond to the new needs of the territory, via networking with public services, the reality of the private social sphere, associations and the civil society, Gruppo78 progressively defined itself within a dimension of a “community social enterprise.

iv) any crisis (small or large) moments along the way? or moments that were not a crisis but required some changes? How were these resolved/addressed?

So far, there have not been particular difficulties other than having to face a continued growth of interest and activity in response to the needs and demands of the local social services, due to the inclusion not only of the disabled, but also an increase in the emarginated categories (reaching out to the increasingly weaker components of society, such as prisoners, young offenders and drug addicts, people with mental disorders, and those at risk of deviancy). This has led to not only an increase in the services offered and provided, but also to an increased need for training and greater economic stability. The increased amount of work arriving from the public sector has more recently run into problems due to cutbacks and consequent reduced funds.

At present day, the cooperative is going through a transition "generational" stage. After many years since its founding, there is now a process of "reorganization", in terms of roles, historical figures, among whom the founding members. So there is increasing need to invest in motivating the younger generations, mainly by way of training to continue the activity and strengthen the cooperative identity and reinforce the sense of belonging of the younger members.

CORE BUSINESS MODEL

Gruppo 78 mainly operates within three fields:

1. **MENTAL HEALTH:** management of protected and semi-protected apartments; day centre for adults, employment laboratories and laboratories for the development of work-related prerequisites; domestic education interventions; informative paths of socialization within work contexts.
2. **ADULT SOCIAL DIFFICULTIES:** management of residential semi- protected

services; domestic education interventions; informative paths of socialization within work contexts.

3. **ETHNIC MINORITY INTEGRATION:** the service not only provides for the management of the Sinti Camp, but is also aimed at supporting the Sinti and Rom populations. This is done mainly through interventions meant to improve health conditions and schooling, housing and job opportunities.

In the early 90s, Gruppo 78 began the production and transformation of fruits and vegetables at MAS DEL GNAC, a block of flats in the countryside of Isera. The driving force of the project was the desire to create an activity able to reintegrate marginalized people, who were otherwise excluded from the workforce, and therefore to create or reinforce basic skills. The cultivation of the lands surrounding Mas del Gnac provides most of the raw materials which are then transformed in the laboratory. Starting from fruits and vegetables (grown as ORGANIC FARMING) the laboratory produces compotes, juices, syrups, as well as tomato puree and Trentino sauerkrauts, which are then sold on the local market. In addition to the transformation work, people with mental and psychological disorders are involved in assembling activities (such as cardboard boxes used for Christmas packaging).

Assembly and printing activities for companies are also at the core of the CENTRO DI AVVIAMENTO AL LAVORO "TALEA" (Centre for the development of work-related skills) managed by Gruppo 78 in the city of Trento. Active since 1997, the Talea Centre addresses people with no working autonomy or those excluded from the job market due to psychological issues or social problems. It aims at helping them acquire/re-acquire work-related skills useful for both the protected and non-protected job market. Every person who arrives at the centre receives an individual program and an educator who supports them.

In order to help the weakest segments of the community, Gruppo 78 operates in agreement with the public authority, managing:

- APPARTAMENTI SEMIPROTETTI (semi-protected apartments). The service is addressed to people in need of support belonging to the Vallagarina region with low or recovered autonomy, providing them with the possibility of living in a family environment, whilst having appropriate assistance available for their real needs.
- CENTRO di accoglienza DIURNO PER ADULTI (adult shelter).
- INTERVENTO EDUCATIVO A DOMICILIO (educational support at home) for a family unit or individuals. The service consists of a series of interventions aimed at helping the family unit or the individual in stress related situations/ those creating anxiety.
- CENTRO TERAPEUTICO RESIDENZIALE (residential therapy centre). This is a health facility whose admission procedure and criteria are under the jurisdiction of the A.P.S.S. (Azienda Provinciale per i Servizi Sanitari), in

partnership with the multi-disciplinary team involved in the user's therapy.

- GRUPPO APPARTAMENTO (Apartment Group). This is a shelter for both adult men and women suffering psychological disorders. The educator's presence is diurnal. The admission procedure is under the jurisdiction of the A.P.S.S. (public health service) in tight partnership with the multi-disciplinary team, and the families of the users in order to personalize the rehabilitation process and to improve the quality of the daily life of the disabled, with a possible reinsertion in the working environment.
- INTEGRAZIONE DELLA POPOLAZIONE SINTA (Integration of the Sinti population) managed together with the Municipality of Rovereto since 2011, thanks to a local network headed by social services.

Gruppo 78 is currently promoting the concept of social housing as a way of joining forces to find new solutions for sharing accommodation and relationship needs.

The cooperative, in partnership with several regional institutions, organizes meetings with different experts on the concept of sharing accommodation, both in theoretical and practical terms. It proposes direct experiences of guests or of Gruppo78 volunteers, rules and advice for living well together, household notions (shopping, recycling, personal care), active citizenship in order to give back to the user the status of free citizen with collective responsibility, as well as creating good neighbourhood relationships, and information on public and assisted housing.

INSTITUTIONAL/GOVERNANCE STRUCTURE

The main body of the cooperative is the Assemblea dei soci (members' assembly) which elects the Consiglio di Amministrazione (the board) and its President (now Santo Boglioni). At present, the administrators hold the task as volunteers and so are not paid any attendance fee. On December 31st 2014 there were 66 cooperative members.

Since March 2013, the cooperative has been provided with a Family Audit certification. This has been done in order to facilitate the trade-off between private and working life of cooperative employees, and to enforce an already shared culture.

For this purpose, Gruppo78 plans to offer:

- Time off work, beyond that foreseen in the contract
- "Good return" programmes providing support and training after time off work
- Ad hoc flexible schedules where possible
- Internal mobility where possible
- Preparation and publication of informative kits on parenthood and care charge
- Leisure activities
- Promotion of and support for the participation of users' families in the internal Auto-Mutuo-Aiuto (mutual self-help) group
- Promotion of and support for the participation in the mutual self-help group also for families caring for those with psychological disorders.

EXTERNAL RELATIONS

The relationship with the public authority started in the 80s and strengthened in the course of time, particularly with the A.P.S.S., the Municipality of Rovereto and the Community of Vallagarina. The cooperative also networks with private and tertiary companies. Moreover, Gruppo8 is part of the Union of Trentino social cooperation Con.Solida which groups together around 60 social cooperatives of the region.

IMPACT ANALYSIS

The management of the centres for the job market and for the development of work-related prerequisites aims at the creation of an initial mechanism, through which the users can achieve greater autonomy. Firstly, by incentivizing the users' socialisation, promoting therefore job placement through the leverage of contact “resources” with employers and local economic institutions in local firms and institutions. This positively affects the well-being of users and their families, but also public administration and social-health services indirectly benefit from it, as in this way public administration costs are reduced, alongside limiting the falling back on social and health care services.

The social integration among citizens and between users and their families is promoted thanks to the proximity to the territory, the promotion of social- cultural initiatives addressed to citizens, as well as the participation in working groups and co-design with public services, tertiary sectors and associations. This helps identify the emerging needs of the community and develop social capital in terms of relationships and connections.

Part 3: CONSUMER COOPERATIVES

Title 1: Members in consumer cooperatives

Short description

Being a member or a board member in a cooperative means being able to make decisions to the advantage of the coop members. However, often there is no time taken to think about who the members actually are, what interests they may have, how they can be part of the coop, and what their rights and duties may be. It is therefore important to understand the different ways of concretizing the coop’s relationships with their members.

Topics:

- Background to membership (what is a coop; cooperative values and principles)
- Categories of members in cooperatives
- Becoming a member: duties and rights

Learning outcomes:

- Understanding why cooperatives need members
- Understanding the member roles and typologies
- Understanding an active membership

Supporting material:

1. Worksheets for group activity
2. ICA's principles and values
3. File C: Background to membership
4. File D: What is a consumer coop?

The contents of the material

Activity 1.1 Why cooperatives need members?

In your group, list the reasons why your /a consumer cooperative needs members



--

Activity 1.2 Members in different organizations

In your group, compare membership of a consumer cooperative to that of another organization such as trade unions, voluntary organizations, associations, etc.

	Cooperatives	Voluntary organization	Other
How do you join?			
How much does membership cost?			
What responsibilities do you have?			
Types of members?			

Activity 1.3 Advantages of being members

In your group, discuss the benefits people receive on becoming a member in a/your consumer cooperative.



Illustrate the benefits with a picture

Activity 1.4 Members duties and rights

In your group, discuss what you think the members' duties and rights are in a consumer cooperative.

Rights	Duties

File C - Background to membership

What is a cooperative?

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

Statement on coop identity - ICA 1995

Coops are different from other types of business because they are:

- member- based organizations
- democratically controlled

Cooperatives adopt the following values and principles:

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members also believe in the ethical values of honesty, openness, social responsibility and caring for others. Co-operators throughout the world share a set of values that give them their distinctive character:

1. ***Self-help***: is based on the belief that all people can and should strive to control their own destiny. Co-operators believe that full individual development can take place only in association with others. As an individual, a person is limited to what they can do or achieve. Instead, through joint action and mutual responsibility, people can achieve more, especially by increasing a collective influence in the market and before governments.
2. ***Self-responsibility***: means that members take on the responsibility for their cooperative, for its establishment and continuing vitality, for ensuring that it remains independent from other public or private organizations. Members also have the responsibility of promoting their cooperative among their families, friends and acquaintances.
3. ***Democracy***: is implicit in the structure of a cooperative so that members have control.
4. ***Equality***: forms the basis of a cooperative. The basic units that make the cooperative are the members, i.e. a person or a group of people, which is one of the main features distinguishing a cooperative from organizations controlled primarily in the interests of capital. Members have rights of participation, a right to be informed, a right to be heard, and a right to be involved in making decisions. Members should be associated in a way that is as equal as possible, which can sometimes be a difficult challenge in large cooperatives or in federations of cooperatives. In fact, concern for achieving and maintaining equality is a continuing challenge for all cooperatives.
5. ***Equity***: refers primarily to how members are treated within a cooperative, i.e. equitably and fairly in the rewards for their participation in the cooperative, normally through patronage dividends, allocations to capital reserves in their name, or reductions in charges.

6. ***Solidarity***: ensures that cooperative action is not just a disguised form of limited self-interest, but means that cooperatives stand together. Members have the shared responsibility for the collective interest of the cooperative's members, aspiring to the creation of a united Cooperative Movement, locally, regionally, nationally, and internationally. They cooperate in every practical way to provide members with the best quality goods and services at the lowest prices, working together to present a common face to the public and to governments. They accept that there is a commonality among all cooperatives, regardless of their diverse purposes and their different contexts. Solidarity is the very cause and consequence of self-help and mutual help, two of the fundamental concepts at the heart of cooperative philosophy, which distinguishes cooperatives from other forms of economic organizations.

Cooperative members also believe in the ethical values of **honesty, openness, social responsibility and caring for others**.

Principles

1. ***Voluntary and open membership***: cooperatives are voluntary organisations open to everyone able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
2. ***Democratic member control***: all members have an equal voice and a right to participate in decisions and policy making. Officials and elected representatives are accountable to the membership.
3. ***Member economic participation***: the capital of a cooperative is controlled democratically by its members and for their benefit. The basis of allocation of surpluses is approved by the members.
4. ***Autonomy and independence***: cooperatives should always be controlled by their members, even when they enter into agreements with the government and other organizations.
5. ***Education, training and information***: cooperatives are committed to the development of their members, representatives and staff in order to make the cooperative effective. They inform the public and young people of the benefits of cooperation.

6. **Cooperation among cooperatives:** cooperatives work together at local, regional, national and international levels to achieve their aims.

7. **Concern for the community:** cooperatives work for the sustainable development of their communities.

File D What is a consumer coop?

Consumer cooperative

The objective is to provide members with goods or services at the most favourable market conditions, i.e. best value for money whilst guaranteeing utmost quality

Some examples of the main duties and rights of members:

- Right to examine the company books
- Right to receive cooperative surplus - the certificate of incorporation specifies the criteria for how the surplus can be shared amongst members in proportion to the quantity and quality of the mutualistic exchange.
- Right to the profits and stocks– the certificate of incorporation specifies the ways and percentages of participation.
- The right to take part in the members assembly and voting.
- The right to contest the general meeting resolutions contrary to law or to the certificate of incorporation
- Duty to contribute to the share capital – i.e. the member fee
- Duty to contribute in the implementation of mutuality by supplying your production (agricultural coops), your activity (labour coops), goods and services (consumer coops), etc.
- Duty to respect the deliberation of governing bodies.

Part 4: CREDIT BANK COOPERATIVES

Title 1: Managing credit bank cooperatives

Short description

The credit bank cooperatives have various bodies with specific powers and competences that governing bodies should be familiar with in order to work better together. The training material will introduce a basic knowledge about the structure and the operation of the governing body providing input to help create a shared vision of the cooperative.

Topics:

- Governing bodies of the coop
- Board members' responsibilities and roles
- Strategic development of the cooperative mission and vision

Learning outcomes:

- Understanding the structure of the governing bodies of the coop
- Understanding the board members' responsibilities and roles
- Understanding and contributing in the definition of the cooperative strategical development
- Willingness and plan of action to reach a shared vision

Learning materials:

1. Worksheets for group activity
2. File E - Description of the governing bodies
3. Case study (Cassa Rurale di Pergine)

The contents of the material

Activity 1.1 Governing bodies

In your group, indicate if the following bodies exist /are represented in your credit cooperative.

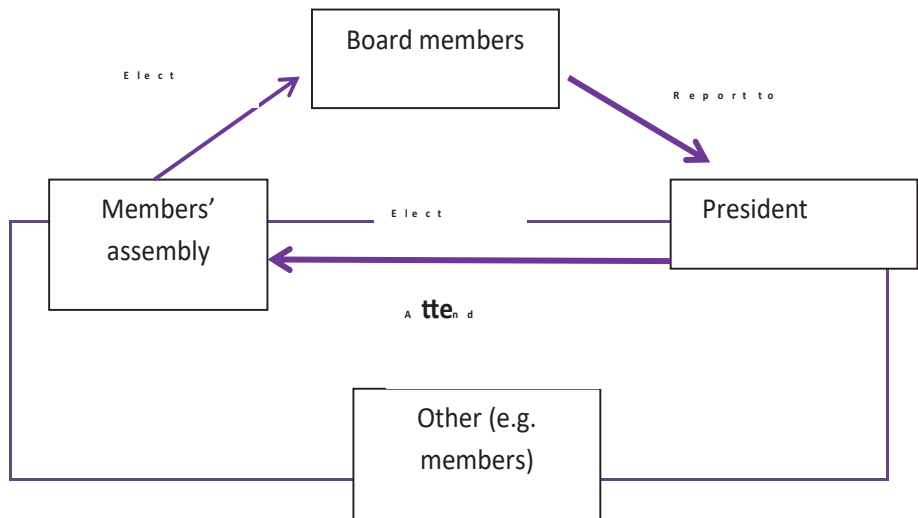
Cooperative	Your credit cooperative
PRESIDENT	
MEMBERS' ASSEMBLY	
BOARD MEMBERS	
AUDIT COMMITTEE	
Other (specify)	

Activity 1.2 Interaction between the different governing bodies



In your group, draw the structure of your credit cooperative and discuss their interaction. Use the following example.

Democratic structure of a cooperative



Activity 1.3 Vision



Discuss and answer the following questions with your group.

What do you think about your credit coop?

What do you say about your credit coop when you talk to other people about it?

How do you see your credit coop in the future? What is your vision?

How can you help motivate others to share this vision?

Activity 1.4 Turning vision into reality



Discuss and answer the following questions with your group.

How can you turn your vision into reality?

What do you need to make the vision real? i.e. resources, skills..

Can you make a plan of at least 5 phases?

2. File E - Description of the governing bodies

The president's role:

- Signs on behalf of the coop and acts as legal representative.
- Is entitled to collect any sum from private or public bodies upon the issue of a formal receipt in the name of the coop.
- Calls upon and presides over the Members Board.

The Members Assembly:

- Their main objective is to address the coop's business activities, approve the proposed and actual budgets, and elect positions within the cooperative.
- Is defined a sovereign body for the nature of decisions it takes.
- Each member has a vote, independent of the amount of capital invested.

Board members:

- Are in charge of the operational management of the cooperative, carrying out and deciding the administrative actions within the policies and regulations established by the Members Assembly. Each board member can obtain positions to carry out specific projects or activities.
- The board members must be cooperative members or acting on behalf of legally recognized members. The Board nominated by the Members Assembly will choose the President and Vice President from their members in the event they have not already been nominated by the

Assembly, who may delegate part of their powers detailed in the resolution.

Board of Statutory Auditors:

- The Board of Statutory Auditors is the body that oversees the legal and effective administration of the entire company business without interfering in the choice of opportunities and economic convenience.
- It is made up of one President, 2 standing members and 2 alternate members chosen from members and non-members nominated by the Assembly (in Italy).

3. Case studies

Case study - CASSA RURALE DI PERGINE (Italy)
Website of the enterprise: www.cr-pergine.net
Legal organisational form: Cooperative enterprise, sub-category “credit”
CONTEXT AND HISTORY
<p>Cassa Rurale di Pergine, active for more than 90 years, is located in Palazzo Tomelin in Pergine Valsugana, the third biggest municipality in the province of Trento. Cassa Rurale di Pergine was founded by 13 members in 1920 in order to improve their conditions both in moral and material terms: it lent the money needed for their businesses and promoted savings. At that time, the social share, as well as the membership tax, was 5lire. On December 3rd 1920, 21 members were registered. In the following years, Cassa Rurale di Pergine merged with other Cooperative Credit Banks (opened between 1896 and 1912 in neighbouring areas), who were undergoing economic difficulties due to the early crisis in the 1920s. In addition to the 1929 crisis, the Cassa Rurale di Pergine managed to overcome the difficulties of the post war period, thanks to the commitment of its members. Despite the long and progressive growth, it has managed to keep consistent with its mission of being a local bank, offering high quality banking services to its members and clients, and therefore at the service of the community.</p> <p>Cassa Rurale di Pergine is part of the broader System consisting of more than 40 Cooperative Credit Banks, which are the core of the credit sector with 381 branches throughout Trentino (in the 221 municipalities), managing about 60% of the total credit market.</p> <p>In Trentino, the origins of cooperative credit go back to when the first bank was founded in 1892, inspired by the Raffeisen model, which had the original objective of offering local farmers the possibility of accessing credit that they would not otherwise be able to access. Numerous cooperative banks were set up throughout the territory, following the principles of solidarity and reciprocity, not only for an economic benefit to the local communities, but also as an instrument for social, cultural and ethical improvement and wellbeing. In fact, an important peculiarity of this system is that local banks not only offer typical credit services, but also promote</p>

the economic and social development of their local communities (see the Social Report), having created a strong local network with both members and local institutions, thus creating and enforcing the fundamental underlying values of cooperation, i.e. mutuality, trust, loyalty, and reciprocity. This continued over the years so that the banks have become an important part of the local communities, providing and promoting services that are beneficial to the community's socio-economic development and growth (in terms of culture, training/education, environment, health/safety, etc.).

LIFE CYCLE

i) Conditions which allowed the start-up and foundation, alongside its implementation

Cassa Rurale di Pergine was founded by 13 members with the purpose of improving its Members' conditions in both moral and material terms: it provided them with the money needed for their businesses, and promoted savings.

ii) Organisational design— why was the legal form chosen, why were certain governance models chosen, stakeholders, etc.;

The initial name was "Cassa Rurale di Prestiti e Risparmio" (Rural Bank of Credit and Savings). In 1938 it turned into Cassa Rurale e Artigiana di Pergine (Pergine Rural and Artisan Bank).

iii) Growth and expansion of the SE, focusing on the various resources (finance, voluntary, etc.) mobilized at each stage;

Eight years after its foundation, it acquired another bank, Cassa Rurale di Zivignago. In the years following its constitution, Cassa Rurale di Pergine merged with other Cooperative Credit Banks, (opened between 1896 and 1912 in neighbouring areas) undergoing economic difficulty due to the early 1920s crisis. Since then, the bank has continued to grow and expand within the local territory, supporting the development and growth of the local economy.

iv) Any crisis (small or large) moments along the way? or moments that were not a crisis but required some changes? How were these resolved/addressed?

The first obstacle Cassa Rurale di Pergine found on its way was represented by the Economic Crisis of 1929, followed by World War II. One of the key figures of Cassa Rurale's development is Carlo Illici, hired first as an employee in 1931 and then appointed executive director. He played a decisive role in improving Cassa Rurale's organisation and in the delicate closure of neighbouring banks. In the post-war period, Cassa Rurale promoted a number of subsidies for enterprises in order to foster the economic upturn of local activities, the launch of private initiatives and the diffusion of scientific and technological innovations.

CORE BUSINESS MODEL

Based on Cooperative Credit values, Cassa Rurale reinvested savings in favour of workers could benefit not only from access to credit, but also from the common

good that each of them had contributed to creating. An activity of social and cultural promotion emerged alongside the normal banking activity, through the distribution of economic subsidies supporting interventions, and, more importantly, through the cooperation with regional institutions and associations.

INSTITUTIONAL / GOVERNANCE STRUCTURE

Members are both the basis and the engine of the Cassa Rurale: to be a member means to believe in Cooperative Credit values, and to become an integral part of the Bank decision making process for the local territory. Members are the first patrimony of Cassa Rurale, as they are at the same time owners of the enterprise, first clients, and, with their commitment, true representatives of the bank.

Total number of members: 3.255

EXTERNAL RELATIONS

Within the cooperative credit system, the Cassa Rurale di Pergine is supported by the Cassa Centrale Banca, which boosts and integrates their activities, developing and improving financial services and providing technical assistance, and by Phoenix Informatica Bancaria Spa that provides banking information software.

Moreover, Cassa Rurale di Pergine is part of the Sistema di Credito Cooperativo Nazionale (National Cooperative Credit System) consisting of 371 Cooperative Credit Banks, Rural Banks, associated structures and enterprises all over Italy. In the national banking system, CCB (Cooperative Credit Banks) play a primary role both in terms of growth and of financial and asset solidity, as well as in terms of territorial coverage: more than 4.400 branches, more than 1mn members, 6mn clients, 37.000 partners.

IMPACT ANALYSIS

Cassa Rurale is characterised by transparency, making public its decisions, resolutions, and the main accounting figures of its activity, through: Statute, Annual Report, Social Report, Public Reporting, Deliberative Procedures, Other communications.

Among the instruments used by Cassa Rurale to reinforce its relationship with the Community and make the territory's social and economic fabric richer, more sympathetic and competitive, CooperAzione Reciproca (Reciprocal CooperAction) stands out. Established in 2 to dynamically address to everyone, with a particular regard to its Members and Clients. The Association aims to build a local network connecting the region's Cooperatives, but also other actors such as Associations or Institutions, in order to start a number of projects designed to increase the social wellbeing of the community and its local territory through the promotion of non-banking activities and services (for instance, language and computer classes, healthcare projects, fiscal services for associations, activities for children and young people, work-life conciliation services for working parents, etc.).

Part 5. FARMERS OR AGRICULTURAL COOPERATIVES

Title 1: Members in agricultural cooperatives

Short description/ topics cover

Being a member or a board member in a cooperative means being able to make decisions advantageous to cooperative members and understanding how the cooperative can be of benefit to members. How does a cooperative add value? How do members add value for the cooperative? Often there is no time taken to think about who the members actually should be, what interests they may have (homogenous or heterogeneous), how they can be contribute to the cooperative and help form cooperative strategy, and what their rights and duties may be. It is therefore important to understand the cooperative's relationships with their members.

Topics:

- Background to membership (what is a coop)
- Categories of members in cooperatives
- Becoming a member
- Member rights and duties
- Member requirements

Learning outcomes

- Stating why cooperative need members
- Understanding the member roles and typologies
- Understanding the active membership

Learning material:

1. Worksheets for group activity
2. File A and B: Start Up Guide for Agricultural Cooperatives (sections 1.1 and 1.2)
3. Best Practices and Case Studies: Vicasol - Spain, Agraria Riva del Garda - Italy, Lunca Somesului Coop - Romania (included in the Guide)

The contents of the material

Activity 1.1 Background to membership: Cooperative Principles

See the “Start Up Guide for Agricultural Cooperatives” sections 1.1 and 1.2 and discuss what the differences in the ICA definition and the streamlined approach created by Dunn above may mean in the context of your agricultural community or cooperatives. Which set of principles do you think would be more applicable or beneficial in your community?



Activity 1.2 The reasons why farmers may be agricultural cooperative members

In your group, list the reasons why farmers may be agricultural cooperative members. See the “Best Practices” and “Case Studies” (Vicasol - Spain, Agraria Riva del Garda - Italy, Lunca Somesului Coop - Romania) from the “Start Up Guide for Agricultural Cooperatives”. What challenges do your farmers have?



Activity 1.3 Member in different organisations

In your group, compare membership of an agricultural cooperative to that of the other organization such as trade unions, voluntary organisations, associations etc.

	Trade Union or Association	Voluntary organisation or NGO	Cooperatives	Other
How do you join?				
How much does membership costs?				
What responsibilities do you have?				
Types of members?				
Financing of the organization?				

Activity 1.4 Benefits of becoming a member in a /your agricultural cooperative

In your group, discuss the benefits people receive on becoming a member in a/your agricultural cooperatives. How would this be different in a non-cooperative agricultural business?



Represent the benefits in the form of a picture or diagram

File A: Cooperative's definition, values and principles (Section 1.1 - Guide)

According to International Co-operative Alliance⁷, *a cooperative 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.*

⁷ International Co-operative Alliance, definition available online at: <http://ica.coop/en/what-co-operative>, retrieved in June 2017

Cooperatives are businesses owned and run by and for their members. Whether the members are the customers, employees or residents they have an equal say in what the business does and a share in the profits.

As businesses driven by values not just profit, co-operatives share internationally agreed principles and act together to build a better world through co-operation.

In 1995, The International Co-operative Alliance adopted the revised *Statement on the Co-operative Identity* which contains the definition of a co-operative, the values of co-operatives, and the seven co-operative principles as described below⁸:

Co-operative Values

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.

Co-operative Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common

⁸ International Co-operative Alliance, idem

property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5. Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6. Co-operation among Co-operatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

Did you know?

Co-operatives contribute to sustainable economic growth and stable, quality employment, employing 250 million (indirect and induced employment not included). Within the G20 countries, co-operative employment makes up almost 12 % of the total employed population. There are over 2.6 million co-operatives in the world with about 1 billion members.

Source: International Co-operative Alliance, Facts and Figures, data retrieved in June 2017 from <http://ica.coop/en/facts-and-figures>

File B: Defining features of cooperative businesses (section 1.2 - Guide)

Cooperatives exist to provide benefits in the form of goods and services to their members. This differs from the primary purpose of other types of business organizations which typically exist to generate profits for the owners of the business.

Other significant differences between cooperatives and other types of businesses are related to *ownership, control, and the way the benefits from operating the business are distributed*⁹:

1. Ownership

Cooperatives are financed by the people who use the services provided by the business. Investing risk capital in a cooperative business is a basic member responsibility and a function of owning the cooperative.

2. Control

Cooperative control is expressed through the principle of “*one member, one vote*”—each member has only one vote regardless of the amount of capital that member has invested in the business. Members’ control over a co-operative is normally exercised through the election of a board of directors from the membership. The board represents the membership in providing direction to the business by establishing the overall goals and policies of the coop. In a cooperative, the central issue of control typically focuses on determining the types of services provided by the business.

3. Distribution of benefits

In cooperatives, benefits are distributed to the members in proportion to their use of the goods and services provided by the business. Any surplus (gross income less expenses) generated through a coop’s business operations are either reinvested in the business to improve the services provided or they are redistributed to the members in the form of patronage refunds. Patronage refunds are calculated in proportion to a member’s use of the services provided by the cooperative.

⁹ Harris A., Joynt H., *Agricultural Co-operatives. A Start-up Guide*, funded by: Agriculture and Agri-Food Canada, Canada - British Columbia - Farm Management Program, British Columbia Ministry of Agriculture and Food, p.1 -2

Let's compare and understand!

Main differences	Cooperatives	For-profit companies
Purpose	Benefits for the members	Profit for shareholders in base of their investment
Ownership	By members	By shareholders
Control	One member, one vote	Based on the number of voting shares held per shareholder
Distribution of surplus	To members in proportion <i>to the use</i> of cooperative's services	To shareholders paid in proportion to their investment

In a cooperative, *the user is the focal point*, with the direct status of user, owner, and control vested in the same individual. From the cooperatives' user focus and the relationship between user, ownership and control interests, *three basic cooperative's principles* can be defined, and out of them a simple definition of a cooperative business organization¹⁰:

1. The User-Owner Principle: Those who own and finance the cooperative are those who use the cooperative.

2. The User-Control Principle: Those who control the cooperative are those who use the cooperative.

3. The User-Benefits Principle: The cooperative's sole purpose is to provide and distribute benefits to its users on the basis of their use.

Therefore:

A cooperative is a user - owned and controlled business from which benefits are derived and distributed on the basis on use. (Dunn, 1988)

¹⁰ Dunn J. R (1988)., *Basic cooperatives principles and their relationship to selected practices*, Journal of Agricultural Cooperation, 1988, Volume 3, p.85, available online at: <http://ageconsearch.umn.edu/record/46212>

Title 2: Cooperative Management: Overall Planning, Controlling, Organising, Communicating and Decision-Making

Short description/topics cover

Cooperative managers differ from managers in other sectors, whether for profit or not for profit foundations or NGOs. The cooperative sector manager has to play two principal roles: managing activities in relation to members of the cooperative; and in managing and supervising staff. The cooperative manager acts as a link between the cooperative members and member board and the cooperative organisations' management team. As well, cooperative managers are the link between the cooperative and the market.

Topics:

- Roles of cooperative managers
- The most important functions of a cooperative manager

Learning outcomes

- Knowing communication procedures efficient in dealing with different conflicts of interests
- Knowing evaluation practices for cooperative managers

Learning material:

1. Worksheets for group activity
2. File A
3. Best Practices: Coop Agricola San Isidro Casi - Spain, AgroIris - Spain

The contents of the material

Activity 2.1 Differences of interests amongst the members, or groups of members, of your cooperative and the need of communication procedures

In a small group, analyze case studies **Coop Agricola San Isidro Casi** (Spain) and **AgroIris** (Spain) and identify and discuss the following main aspects:

	1. What differences of interests can you identify amongst the members, or groups of members, of your cooperative?	2. What type of communication procedures were you put in place to deal with any conflicts of interests which arise?
Coop Agricola San Isidro Casi (Spain)		
AgroIris (Spain)		

Activity 2.2 Feedback and evaluation procedures for cooperative managers

In your group, discuss the feedback and evaluation practices could you put in place in your cooperative to ensure that the managers are meeting the objectives and wishes of the membership.



File A: Cooperative Management: Overall Planning, Controlling, Organising, Communicating and Decision-Making.

Cooperative managers differ from managers in other sectors, whether for profit or not for profit foundations or NGOs. The cooperative sector manager has to play two principal roles: managing activities in relation to members of the cooperative; and in managing and supervising staff. The cooperative manager acts as a link between the cooperative members and member board and the cooperative organisations' management team. As well, cooperative managers are the link between the cooperative and the market. This means the role encompasses both economic and non-economic decision-making. A cooperative manager must be able to understand the 'cooperative advantage' of members engagement and activity and be able to transmit this understanding to the membership.

Some of the most important functions of a manager are:

1. Understanding the policies and direction of the cooperative, and the wishes of the members and then establishing strategies and initiatives so that these policies and wishes can be carried out.
2. Ensuring continued growth and survival of the cooperative enterprise including anticipating competition;
3. Establishing processes to generate business and surplus;
4. Introducing innovations through work efficiency, value-addition, ICT, and improved business processes;
5. Supporting cooperative human resources by providing opportunities for professional development and capacity building and creating better work environments;
6. Establishing effective communication channels between herself/himself and the management
7. Establishing communication between the cooperative and its members, and amongst other managers and employees of the cooperative;
8. Establishing feedback and evaluation practices.

Managers are professionals within the cooperative management system and their role is the day to day development of a cooperative institution. Managers must act in alignment with the elected board, which sets out the policy direction and bylaws and which also regulates the performance of management in light of its achievement of cooperative objectives at the control stage.

Managers help build the cooperative organisation. In the case of agricultural cooperatives, they should have a thorough understanding of the work of the farmers and their concerns. They must also be ready to deal with conflict and different interest groups within the cooperative. Good managers also have the ability to learn from the specific history of the cooperative.

3. Case studies

Case study 1 - Cooperativa Agrícola San Isidro (CASI)
Website of the enterprise: www.casi.es
Legal organisational form: Andalusian Cooperative Society (SCA)- first tier/level
A. Context:
Year of Founding: 1944
<p>Context of start-up – problem that the enterprise was set up to solve, economic social rationale: The Cooperativa Agraria y Ganadera San Isidro (CASI) was founded in 1944 by a group of farmers who united to market their products, principally potatoes and vegetables at that time, in the daily auction market stalls. In the 1960s this market stall had become too little so they began to look for a larger place in which they could store larger volumes and to carry out auctions, which had become the method of selling. It was also at the end of 1960s that vegetable production began to become more significant in the province of Almería. The tomato took over the potato as the most marketed product in CASI. In the 1980s CASI had strong internal growth and its membership continued to increase, necessitating the development of new and better services for the members, particularly the creation of a technical services department to help the farmer produce tomatoes of higher quality. Once again CASI outgrew their installations and they amplified progressively during the 1990s. In this period volume increased dramatically and they went from producing 40,000 tons to 140,000 tons in 2000. Currently they sell 210 million tons of products to 1,500 clients throughout Europe, with 4 work centers.</p>
<p>What are the Main Activities of the entity? The tomato is their main product for marketing, comprising 95% of their portfolio, although they also market watermelon, melon, zucchini and cucumber. CASI represents 30% of the total tomato sales in Almería. All other activities are focused on client service: the sale of inputs, technical services, business advice, etc.</p>
<p>Who are the Main stakeholders (i.e. members, clients, producers, etc.)?</p> <p>CASI has 1,800 members (40% women) who cultivate 2,200 hectares and it is the Almería cooperative with the largest membership. It has very diverse clients, and can be considered to be a wholesaler in origin. Typical clients are:</p> <ul style="list-style-type: none"> ▪ Supermarket chains of Spain and Europe. ▪ Hotel, restaurant and catering companies, (Horeca). ▪ Intermediaries dedicated to the sale of tomatoes, including other cooperatives in Almería.
<p>Geographic coverage: Although CASI has clients all over Europe, it markets 58% of its production in origin through auction (the auction is held every morning in CASI's installations and auction room.) Gradually it has increased the direct sales to</p>

clients through their own marketing dedicated to exports, which has taken some of the pressure off the auctions, allowing better prices for the farmer. Currently they are seeking to reach the US, Canadian, Chinese and Indian markets, without leaving out the traditional EU markets such as Poland, France, Holland, Italy, the Czech Republic, Germany and the UK. Exports make up 42% of their sales.

B. Ownership Structure

What is the ownership structure of the entity?

The cooperative is owned exclusively by the farmer members.

If membership, is membership open or closed? Is exclusivity required?

The cooperative has open membership, who must agree to sell all their product exclusively through the cooperative.

Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised?

The General Assembly fixed the amount of obligatory contributions (unallocated) of new members and the conditions and time periods for return, balancing the economic necessity of the cooperative and the entrance of new members.

Describe in a few words the voting distribution (e.g. one member-one vote; proportional to equity contribution; proportional to use, etc.).

Given the heterogeneity of the membership, a plural vote exists proportional to use, which is capped at 7 votes, the limit established by the Andalusian cooperative law.

Describe in a few words the main benefits for members or owners.

The members obtain better prices due to the prestige and reputation of the cooperative at an international level. They also benefit from a series of services that the cooperative offers for free: technical advice on cultivation techniques, training oriented to crops and market awareness and knowledge, assistance with financing and subsidies to modernize and improve greenhouses and installations, sale of agricultural inputs at reduced prices, including the sale of gasoil for industrial use.

Indicate any main changes in ownership over the lifetime of the entity.

Ownership has not changed aside from the continuous addition of new members over time.

C. Governance

Describe the governance structure of the entity. The Board of Directors or Advisory Board of the Cooperative is composed of 15 people. They are chosen by the members by a simple majority in the General Assembly. The President is a member and does not have a salary. Management tasks are delegated to a professional General Manager.

Is there an entity or process for oversight of the board? The General Assembly

Are there external independent board members?

No, although at time the Board will seek external advice.

Are there term limits for board members? No, they can be re-elected.
What is the gender composition of the board? 8 men and 7 women
Describe management and board salary/ compensation policies and how they are decided/determined? The members of the Board do not have a salary, although they are compensated for their expenses in the carrying out of their work as board members.
D. Profit/ benefits/ surplus distribution policies
The distribution of cooperative benefits is in keeping with the Andalusian cooperative law. First, deductions are made for losses from prior years, 20% is destined to the Obligatory Reserve Fund (up to 50% of the capital) and 5% to the Cooperative Education and Sustainability Fund. The rest of the benefits are divided in function of the activities of the members. The losses are claimed against reserves (voluntary and obligatory) and the rest is covered by the members in function to their cooperative activity. In the last few years, benefits have been applied to the development of certain expansion projects: structural improvements in installations purchase of other installations and the creation of new departments (e.g. marketing).
E. Strategy: highlight approaches adopted to address the identified challenges
<p>Describe briefly the business strategy. The philosophy and business strategy of the cooperative can be summed up in the words of the president: “We should feel proud to belong to CASI, to have the largest concentration of product in origin, the tomato with the most taste, the best prices on the market and a consolidated brand worldwide. The cooperative will be what the members say it will be. While I am president I will fight to improve the quality of life of the farmer and their families”.</p> <p>CASI is predominantly a single product cooperative, carving out a specialist niche in tomatoes. It has a growing market share, with a focus on high quality, unique products (denomination of origin) and a mixed system of producer organization and auction to obtain the best price for its members.</p> <p>As a cooperative, CASI depends on the F&V distribution sector as a whole. In general various circumstances can influence CASI: i) the loss of profitability of the farmer as a consequence of rising costs or the reduction of income; ii) the substitution of products from Almería by non-EU products. In this last instance, Morocco is the country which most affects Almería in the short and medium term as their exports to Europe continue to grow. The calendar of production is equal and yet their costs (including packaging and transport) are 25% less than Almería. In light of this the principle strategy of CASI is to increase its export activity. For example, recently it has established agreements with Dutch marketing companies to share installations in the Netherlands.</p>

Describe briefly the relation between the business strategy and the social mission of the enterprise. Please describe briefly the strategic partners or alliances that the enterprise has.

CASI attempts to improve its commercial activity with the objective of increasing revenues for the farmer. As an organisation completely committed to and integrated into its territory, CASI forms part of the specific denomination of protected geographical indication “Tomato of La Cañada Níjar”, recognized as such since 2007. It is a tomato with specific characteristics, difficult to reproduce in other areas, as the unique territory influences the quality of the product.

The constant reality of the difficulties of agricultural cooperatives in Andalucía and their common problems (e.g. loss of negotiating power against the large distributors) has led to several attempts to create one large Andalusian enterprise. In 2006 it maintained contacts with other large Spanish cooperatives such as Covap, Hojiblanca (DCoop) and Agrosevilla. The intention was to put together the various sectors of milk, olive oil, table olives and tomato. However, what might have been a good strategy has proven difficult to put into practice given the difficulties in joining functional characteristics of the cooperatives involved.

However, CASI is a member of the organization of producer organisations, which advocates for common positions for the sector.

Please describe briefly the methods and practices of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.) CASI has a close relationship with their members fundamentally through their network of technicians, made up of 30 agricultural engineers. It also has a developed internet system where the member can access to weekly prices and the most up to date news on the cooperative. It has always been a participative cooperative in sector forums and associative entities, evidence of which is its membership in the producer organization in Almería, COEXPHAL, and in Andalucía, APROA and the federation of agricultural cooperatives of Andalucía.

Innovation and key performance factors

CASI was one of the first agricultural cooperatives that invested in innovation fundamentally in the production phase, for example, introducing a system to monitor the state of the crops through information technology. As well, it complies with all the highest quality standards imposed by European clients (Global Gap, IFS, BRC, etc.). It has also not forgotten the necessity to create new channels to get closer to the consumer, such as having its own website <http://www.rafdecasi.com> to market varieties of tomatoes to the national market.

No. of employees: 850 (81% women)

For Work Integration social enterprise - vulnerable employees if the case (i.e.), work integration plan/programmed used and management structure

Amongst its service providers (cleaning and maintenance) are associations dedicated to provide work for workers with disabilities. In this way, traditional cooperatives can collaborate with social enterprises.

F. Social Benefits

The main indicator of benefits to members is member satisfaction (gauged through feedback, mostly informal) and the average price received by the member. This price is then compared to other cooperatives in the area. When members feel that they are not enjoying sufficient benefits, they raise their concerns either formally or informally and if they are not satisfied with the response they vote out the board and elect others. CASI has always had an active social and cultural program for its members as well, as local farmers otherwise had little knowledge of or access to such programs. Indicators such as market shared and resilience are also considered in general.

Describe in a few words the broader social / environmental impact in your community – spill-over effects, in the last 3-5 years.

CASI participates in diverse public-private businesses whose principal function is the collection, treatment and re-utilisation of agricultural residues. Its support for Integrated Pest Management (predator bugs and other non-pesticide methods) and technical support for farmers regarding resource use and sustainability has had a very positive impact on the environment. It is a cooperative very active in relation to the community in which it is located. This can be seen for its financial support for various projects such as:

- Research and organization of events (conferences, workshops) in the University of Almería.
- Promotion of healthy diets and the consumption of vegetable in schools.
- Funding the promotion of tourism in the area, as well as cultural activities within the province of Almería.

Case study 2 - Agroiris SAT (Spain)

Website of the enterprise: <http://www.agroiris.com/>

Legal organisational form: **Sociedad Agraria de Transformación**

A. Context:

Context of start-up: Agroiris was founded 1 July 1994 to concentrate the efforts of many small farmers and to help them find better prices and other markets. Its growth since such time has been constant. The management of the company has tried to achieve an ordered growth according to the needs of its members. They have pushed hard to concentrate the offer of their products so that they can meet the demands of the clients, who are constantly larger and with higher demands for volume (for example, Aldi, Tesco, Carrefour, Lidl).

What are the Main Activities of the entity?

<ul style="list-style-type: none"> ▪ The pepper is its most produced product (over 45 million kilos per year). ▪ In second place, there are 3 products that are fundamental to the company: cucumber, watermelon and melon; After this is aubergine and zucchini ▪ Finally, there is a series of products of less volume, being cherry tomato, beans, grapes, and Chinese cabbage.
<p>Who are the Main stakeholders (i.e. members, clients, producers, etc.)? The main stakeholders are the 450 members, who cultivate 750 ha and give employment to 1,500 workers.</p>
<p>Geographic coverage: The members of Agroiris come from diverse zones and small towns of the area of western Almeria. With respect to markets, Agroiris is quite different from many other large cooperatives and SATs in the zone, who are almost exclusively geared towards export to other parts of Europe., Agroiris is still quite loyal to its domestic market within Spain, where national markets absorb 40% of production, with 60% for export, mostly to Germany and Holland. Non-European markets make up only 5% of the market.</p>
<p>B. Ownership Structure</p>
<p>What is the ownership structure of the entity? Agroiris is owned entirely by its members.</p>
<p>If membership, is membership open or closed? Is exclusivity required? It is open to new members. The bylaws set out that sales must be done exclusively through the company.</p>
<p>Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised? The GA fixes the amount of obligatory contributions of the new members and the conditions and time periods of payment.</p>
<p>Describe in a few words the voting distribution. Every member has a vote. However the bylaws allow that when there are issues to be voted on that include economic obligations for the members, and then the votes are cast corresponding to the capital contribution of the member.</p>
<p>Describe in a few words the main benefits for members or owners. The members obtain better prices for their product due to the reputation of Agroiris, both national and international, and also because it can attract more clients than individual farmers. The members also benefit from a series of free services: technical agricultural advice and guidance, technical training in growing techniques, sale of inputs at reduced prices.</p>
<p>Indicate any <u>main changes</u> in ownership over the lifetime of the entity. None.</p>
<p>C. Governance</p>
<p>Describe the governance structure of the entity. The governance structure is: i) General Assembly, which is the highest power of the members; ii) The board of directors, which deals with the representation and general administration of the</p>

company and iii) the president, which is given powers by the bylaws. The board is composed of the president, a secretary and 3 vocals, as a minimum. There is also a professional manager to whom the board delegates the day-to-day tasks. Such functions are also in the bylaws.

Is there an entity or process for oversight of the board? The General Assembly.

Are there external independent board members? No.

Are there term limits for board members? 10 members.

What is the gender composition of the board? 7 men and 3 women

Describe management and board salary/ compensation policies and how they are decided/determined? Board members do not have a salary. However, they are reimbursed for expenses in carrying out their activities as a board member.

D. Profit/ benefits/ surplus distribution policies

The distribution of the benefits of the entity is done so according its bylaws and also in accordance with the laws which regulate SATs.

E. Strategy: highlight approaches adopted to address the identified challenges

Describe briefly the business strategy. Medium and long term actions are focused on consolidations of the group in light of recent mergers and those which are anticipated in the future. They also have diverse strategies for product innovation and new markets. The group was reorganised in order to cut costs and maximise efficiencies. The group's investment strategy is directed towards the modernisation of the most obsolete installations and also to realise those changes necessary to allow for economies of scale by absorbing other entities such as Campoalmería, Mayba and Ejidoluz. The incorporation of added value and the marketing of new products is key to competitiveness.

Describe briefly the relation between the business strategy and the social mission of the enterprise. Please describe briefly the strategic partners or alliances that the enterprise has. The Company has grown in distinct phases. During its phase of growth in the 90s it set up 2 companies to integrate new members: Poniente Sol (1997) and Solcoiris S.L (1998) a limited company. In July 2010 it acquired Campoalmería, S.A., and in August of 2011 it integrated by direct purchase, the SAT Mayba. It is also in the process of merging with a cooperative Ejidoluz, S.C.A.

Please describe briefly the methods and practices of communication/relationships with Stakeholders: Agroiris has a close relationship with its members through its network of technical assistants (Agricultural Engineers). As well, it has a very well developed intranet system where the member can see the weekly prices and news in relation to the company. There is also another intranet system for clients in which they try to improve the ordering program. Agroiris has also participated in sector forums and in associative entities. It is a

member of the Association of Horticulture Marketing Companies of Andalucía (ECOHAL) and is also part of the inter-professional group HORTYFRUTA.

Innovation and key performance factors

Agroiris complies with a wide range of quality standards demanded by their European clients (Global Gap, IFS, and BRC). The incorporation of added value and the marketing of new products is an objective to increase competitiveness. An example of this, are exclusive products, one of which greatly influenced the European market: a pepper called “Sweet” which is extremely popular for its high organoleptic qualities. Another project is processed vegetables, especially prepared and ready to eat products. However, fresh produce is still the most important and most profitable. In light of this, Agroiris focuses on fulfilling the requirements and meeting the needs of the consumer markets in relation to innovative products.

No. of employees: 1000 average per season (85% women).

F. Social benefits

Basically the only indicator that is used to know the satisfaction and benefit obtained by the member is the medium weekly sale price for product. By virtue of the fact that members stay and other wish to join, one can evaluate informally the satisfaction of the members.

Describe in a few words the broader social / environmental impact in your community – spill-over effects, in the last 3-5 years.

Agroiris is very active within its community. Participation has included the financing of various projects, for example:

- Activities, such as conferences and workshops, organised by the University of Almería, financing of activities (congresses, seminars), the provincial regional governments and the city hall of its local town.
- In certain circumstances, the Company has even financed the crops or investments made by members when those members have had limited access to finance.

4. EVALUATION

This approach is more formal and will help you to evaluate the learning event (and your own performance).

Course Evaluation

Title of training session	
Date:	
Venue:	
Tutor:	

Aims and Objectives

	1	2	3	4
How well were the aims and objectives of the course stated?				
		A bit	A lot	Completely

	1	2	3	4
How relevant was the course to your needs?				
Will your knowledge/performance be improved as a result of your attendance on this course?				

Content and Delivery

	1	2	3	4
The facilitator's organisation and preparation were				
The facilitator's ability to communicate was				
The facilitator's interest in the unit appeared to be				
The range of teaching methods to accommodate different learning styles was				
The supporting materials were				

Overall Course Rating

	1	2	3	4
How would you rate the course overall?				

Did the course meet your expectations?

Yes ☐ No ☐

If no, why not?

1. Poorly	2. Fairly	3. Well	4. Excellently
-----------	-----------	---------	----------------

5. COOPERATIVE TRAINING MOBILITY IN EUROPE – HOW TO USE THE EUROPEAN FRAMEWORK OF ECVET

Going through this material and all the other materials produced in the framework of the New Crops project, the readers will observe that being part of the big social economy family often involves transferring knowledge, information and good practices from one particular environment to another. When defining the Titles and activities, we aimed to have them relevantly correlated with learning outcomes in line with ECVET framework and tools previously developed, particularly within the field of cooperative.

The ECVET framework can be very handy for those individuals that want to start a cooperative or a social enterprise and are interested in receiving training abroad that would be recognized as qualification in their home country. Until 2014, at European level there were no examples of qualifications specifically for elected members of cooperatives or social enterprises, meaning qualifications validated by a competent body, as required by the ECVET system. During November 2012 and December 2014 a consortium of 8 organizations¹¹ around Europe implemented the European Coop Campus project, whose main purpose was to define a European professional profile for cooperative board/elected members and top management positions, and encourage mobility at international level by adopting the European framework of ECVET.

In this respect, the partnership designed and tested innovative methodologies and best practices and agreed a mutual recognition in order to enhance the importance of learning by doing and learning from others' experiences, especially in this working sector where traditional competences have to be strengthened with soft skills, an ethical outlook and a keen spirit of innovation. All project results can be downloaded for using and/or adaptation from the project's website: <http://www.coopcampus.eu>.

The following section presents a short description of the ECVET framework and connected instruments. All the information is based on the results of the European Coop Campus project in which 3 of the 5 partner organization of the New Crops project were actively involved.

¹¹ Trentino Federation of Cooperation (Italy), Euricse (Italy), The Co-operative College (UK), ADG Akademie Deutscher Genossenschaften (Germany), Coexphal (Spain), University of the Aegean - Departments of Sociology & Geography (Greece), Civil Society Development Foundation (CSDF, Romania) and ACTIF-Europe (Saint Maurice de Cazevielle, France)

The European Credit System for Vocational Education and Training (ECVET) is a framework aimed to facilitate the transfer, recognition and accumulation of the assessed learning outcomes of individuals wishing to obtain a qualification. *ECVET facilitates the documentation, validation and recognition of learning outcomes achieved abroad* – be it within formal VET settings or non-formal contexts. The system is individual-centred, i.e. based on the validation of KSC achieved by an individual who, in turn, provides a basis for accumulating and transferring these outcomes.

The ECVET framework works in close connection to the European Qualification Framework (EQF), which facilitates comparison of qualifications across different vocational education and training systems by specifying reference levels describing learning outcomes from different education and training courses. These are defined via descriptors such as knowledge, skills and competence. Knowledge comprises theoretical and/or factual knowledge; skills may refer to cognitive skills (problem solving, creative thinking etc.), or to practical skills (e.g. the use of tools and materials); competence, within the context of the EQF, are described in terms of responsibility and autonomy. The description of learning outcomes constituting a given qualification as distinct from others is done in accordance with various levels. It is based upon criteria, such as the range of knowledge and skills, levels of specialisation, as well as the ability to cope with open, non-standardised situations calling for action.

The EQF is designed to be a methodical tool enabling cross-country comparison of learning outcomes. Hence, parallel to the development of the EQF, national qualification frameworks needed to be created to cater for the systematic description of learning outcomes achieved in the various countries. On that basis, the function of the EQF consists in making universally transparent the relationships between learning outcomes achieved in various countries independently of any conduct of detailed bilateral comparisons. Categorisation of NQF levels on the basis of EQF will be sufficient for a country to establish a relationship to all countries participating in the system.

The introduction of the EQF also serves to make qualifications/competence transparent throughout Europe with the focus placed on whole systems, rather than individual learning outcomes. A description of those systems from an outcome perspective contributes to increased permeability between general,

vocational and higher education. Competence acquired through informal learning will also be considered.

EQF and ECVET are both based on learning outcomes. However, ECVET not only aims at increasing transparency - whether of individual learning outcomes or national qualification systems - and thus at an elementary prerequisite for the transferability of learning outcomes achieved abroad, but also at their recognition and transfer. ECVET enhanced mobility during initial and continuing vocational education and training. The description of periods of learning spent abroad using the set of tools provided by ECVET –through learning outcomes and, as the case may be, the awarding of credit points representing learning outcomes in relation to a full qualification – helps to make learning in another European country an integral part of a given vocational qualification pursued at home.

The learning outcomes concept was chosen because VET systems and individual programmes vary considerably compared to higher education. The description of learning outcomes is based upon so-called “units”. The units are the elements to be transferred or accumulated, thus facilitating mobility. The way they are combined is a matter of regulation at national level, corresponding to established practice for defining professional profiles or curricula.

To summarize, EQF and ECVET are complementary devices of an integrated system for the validation, recognition and certification of qualifications and competences between European countries. They represent the vertical and horizontal axis of a system that improve the VET mobility within the European Space of Learning

In the framework of the European Coop Campus project, there were produced useful and usable examples for all the items described above (learning outcome used in this toolkit, two mobility learning units, memorandum of understanding, learning agreement etc.). All these can be consulted and downloaded from the projects’ webpage <http://www.coopcampus.eu/Results>.

