

## **How to Form a Co-operative Self-Help Organisation - a manual for persons desirous to form a co-operative and promoters of co-operative development**

By Hans-H Münkner with contributions by Peter Wardenski,

Published by Marburg Consult für Selbsthilfebeförderung, 2005. Price Euros 10

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The objectives of the manual include “to represent state of the art on the promotion of co-operatives” ... “to learn from experience, to avoid common mistakes and to build on successful approaches identified during the past several decades”. Hans Münkner is well equipped to tackle these tasks. Working with him recently renewed my admiration for the depth of his knowledge, and for something even rarer – his ability to recall relevant details just when they are needed.

There would be many more successful co-operatives in the world if the ‘common mistakes’ Münkner warns against had been avoided. For example:

- Forming a Self-Help Organisation is a learning process. But such a process is not a matter of one-way transfer of knowledge from an external ‘expert’ to local beneficiaries. It is a process of knowledge-sharing among partners.
- There is no single model for the development of Self-Help Organisations ... models differ even from one village to another.
- When assessing human resources available ... one should not only think of household heads, landowners or persons carrying out any business, but also of women, young persons and the elderly.
- Encouraging development by offering easy money tends to create “self-help organisations for acquisition of external aid”

There are other objectives clustered round the concept of providing an international draft which can be translated and localised for use in particular countries. To this end, there is an admirable glossary and a list of abbreviations. An intelligent translator whose English was less than fluent could handle the job. The book could be used as a trainer’s manual, a textbook for courses for co-operative promoters and managers, a reference book for planners, and as a source book for people designing co-operative education programmes based on modern media and study groups. In many

cases, it would be advisable for aid donors to save money by financing local people to do this work rather than by sending out ‘experts’ to provide guidance which could more economically be drawn from Münkner’s book.

Part 2 of the book is an ambitious attempt to cover financial and organisational management in 35 pages. It might have been better to cover fewer topics in greater depth. For instance, the sections on cash flow projection or balance sheet ratios could be expanded sufficiently to enable more people to use these techniques. This would be more useful than passing references to topics such as ‘market philosophy’, or truisms such as “A large number of small enterprises admittedly suffer from marginal incomes or inability to expand”.

An explanation of who the book is for, and of its purposes, curiously comes towards the end rather than at the beginning. We are told that to encourage a ‘step by step’ approach some repetition is needed. So we have very similar feasibility study checklists repeated on at least four occasions. Readers might have taken more notice if there had been one list of the common elements with additions as necessary as we move on through the process.

There is one surprising omission. How do we make co-operatives useful to the very poorest and to very small groups? Some of the techniques described in the manual just do not work for them. Nevertheless, experience shows that they can benefit from co-operative self-help groups. The manual’s insistence upon an “annual audit by a qualified auditor” perhaps needs to be modified, to a discussion of the ways in which money could be kept safely.

Very small groups cannot have the separate Supervisory Committees advocated in this book. They may not even differentiate between general meeting and committee meeting, but there are techniques by which they can combine democracy with efficiency. The best Grameen schemes provide good experience of how to use external finance without undermining local democracy and local saving. There is also much positive experience of modifying ‘open

membership' by excluding men or by excluding all but the very poorest. If there is, somewhere, experience of teaching men the attitudes which tend to make women so much better at running small co-operative self-help organisations, it would have been good to refer to it.

The book admirably meets its main objectives. These suggestions for improvement should not

be taken as encouragement to someone to write another international manual in the near future. For the next decade or so, people working in development of co-operatives would do better to concentrate on using the wisdom that is in Münkner's book and on following his advice to localise it.