

Annex A. Summary of Case Studies: Alcasa & Invepal

Case	Alcasa	Invepal (Industria Venezolana Endogena del Papel)
Author/s	Azzellini (2009)	Azzellini (2009)
Type	Worker-run enterprise using co-management model, part of state-owned industrial conglomerate CVG & part of the Ministry of Basic Industries & Mines (Mibam)	Joint cooperative (named Covinpa; 51% state owned & 49% worker-owned); first company in Venezuela to be expropriated in January 2005; co-management was also introduced
Sector	Aluminum manufacturing, state enterprise	Paper manufacturing
Organization	Alcasa	Covinpa
Background	For 17 years, plant was inefficient & hugely indebted as a preparation for privatization	Once largest paper mill in Latin America pushed into bankruptcy by the former owners who in the 1990s misused & redirected a \$10m loan instead of investing it into the company; workers repeatedly occupied the company because former owners never respected several agreements they signed with workers In late January 2005, 300 employees prepared the factory for production again with the state providing in 2006 an initial financing of about \$6.4m of which 49% was a loan with low interest & favorable terms.
Year & location	February 2005 to February 2009 Ciudad Guayana, Bolivar, Venezuela Democratization of the plant, make it productive & profitable again	January 2005 Plants in Moron, Carabobo & Maracay, Venezuela
Motivations, goals & objectives	Democratization of the plant, make it productive & profitable again & to become a social production company (EPS) Cogestion (co-management) goal was clearly defined as workers' control of the company	Preserve jobs by continuing production in the company Transform the company into an EPS Set up a joint cooperative where co-management is practiced

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Actors involved; beneficiaries coverage	Industrial conglomerate CVG, Ministry of Basic Industries & Mines, Alcasa director Carlos Lanz (Marxist sociologist & former guerilla), employees of Alcasa, a representative of the organized local population (since the enterprise is seen not state or workers' property but as "people's property"), Sintralcasa (Alcasa union)	Milco and other state institutions Invepal employees/cooperative members
Structures of democratic participation	Workers' Assembly (WA); Department assemblies & roundtables of department speakers Executive Board (EB) composed of the director, 3 from CVG & 2 Alcasa employees; among vice members of EB are 2 members of the organized local population (the community/general public); future plan to restructure EB to comprise 7 members & 7 vice members, 4 should be workers of Alcasa, the others to represent CVG or the government, & 1 from the organized local population The collective agreement between Alcasa & the union Sintralcasa forged in 2006 included the introduction of workers' councils in the factory (where various bodies in the company would first present their ideas from which workers will develop or select a model)	Workers Assembly
Processes of democratic participation	WA elect all department heads who receive the same wages as workers Election of roundtables of the department speakers All positions elected by assemblies & can be revoked by these assemblies	Workers elected the director (through the initiative of Hugo Chavez) although in practice the director position is determined by the government

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<p>Outcomes/current situation (as of the writing of the cases) & capacities developed</p>	<p>In 2005-2006, production levels rose by 11%; all accumulated debts in salaries & pensions to workers & former workers were paid</p> <p>Alcasa's subcontractors & short-time contract workers are increasingly being turned into permanent positions with regular work contracts</p> <p>Regular workforce rose from 2,700 to nearly 3,300 but just about 60 were former cooperative members</p> <p>But under the new leadership (Carlos Lanz left Alcasa in May 2007) which showed less enthusiasm on co-management, workers' engagement dropped rapidly: only 4 of the 17 departments still have Round Tables; Alcasa incurred huge losses (about \$180m in 2007)</p> <p><u>Capacities developed</u></p> <ul style="list-style-type: none"> • Building alliances with other workers in EPS • Ability to co-manage & ultimately run the factory (self-education by workers) • Building structures deepening democracy: WA, Workers' Council 	<p>Employees rose to 600 by 2008.</p> <p>Invepal resumed production of a wide range of paper products as well as working materials for schools, offices, and packaging.</p> <p>After being forecasted in 2008 that the enterprise should become profitable soon, problems & conflicts arose, namely: investigation of alleged embezzlement (or "administrative disorder" of undocumented spending of about \$800,000; removal of Edgar Pena, whom the workers themselves elected, as president & naming Milco Minister Maria Cristina Iglesias as president; appointment of new board of directors in April 2006; & further restriction of employees participation in decision-making until the company operated properly.</p> <p>Cooperative members continue to discuss which model they wanted to enforce considering a shift to a socialist factory model</p> <p><u>Capacities developed</u></p> <ul style="list-style-type: none"> • Ability to co-manage the factory • Building structures deepening democracy: WA, Workers' Council • Alliance- & coalition-building with other workers in EPS, social movements, etc

Case	Alcasa	Invepal (Industria Venezolana Endogena del Papel)
Factors critical to success	<p>Various training missions, including political education seminars</p> <p>Visionary & transformative leadership of Carlos Lanz (in the initial years of co-management in Alcasa)</p> <p>Core of workers favoring workers' control maintain a school for political education</p> <p>Strong political work of Alcasa workers in the region: strong relation of organized core of Alcasa workers with steelworkers of Sidor (nationalized by Hugo Chavez against the will of the Governor of the Bolivar state Francisco Rangel Gomez); supported Sidor workers' struggle for nationalization & co-management; coordinating with workers from other factories, teachers, unions, communal councils, student organizations, cooperatives, & EPS</p> <p>The critical role of the local unions in organizing workers' council, organizing internal school for political education; organizing recall referendum for a corrupt factory president (Alcasa)</p>	<p>State guarantee to buy a certain amount of Invepal's produce with competitive prices</p> <p>The critical role of the local unions in organizing internal school for political education</p>

Case	Alcasa	Invepal (Industria Venezolana Endogena del Papel)
<p>Constraining factors & obstacles</p>	<p>Contestation between leftist currents (who won elections in the production departments) & traditional union representatives (who won elections in the different distractive departments)</p> <p>Department chiefs used their influence to employ relatives and friends</p> <p>Lackluster or lack of interest of succeeding presidents on co-management & workers' control (co-management process suffered severe rollback when Carlos Lanz left Alcasa in May 2007) : new president did not show much interest in co-management, so many workers saw their participation a waste of time & their active engagement dropped dramatically; new president after Lanz started trading huge aluminum stocks below world market prices in exchange for immediate payment; this was replaced in 2008 but this new president started introducing measures against the cooperatives & workers' co-administration; in February 2009, plans of organizing a recall referendum against the factory president were organized by the Alcasa Union</p> <p>Main error: not having changed most of the directors & the management of Alcasa (when Lanz left, they went back to their traditional corrupt practices)</p> <p>Some regional elites (the right-wing of the Bolivarian process) do not recognize the protagonistic role of workers & are acting against the official politics & orders of Chavez</p>	<p>Although it was forecasted in the beginning of 2008 that Invepal would be profitable, various problems & conflicts arose, some of which were caused by the absence of any legal or contractual framework guaranteeing the participation of workers in decision-making. The legal environment put the decision-making power in the Executive Board (EB) or the president of the factory or the cooperative's president.</p> <p>Workers for a long time showed little enthusiasm for the administration aspect of the company, probably as a consequence that the employees were turned into owners while the union was dissolved; further restriction of the workers in decision-making under the new president "Betrayal" of the cooperative from its own ranks: non-integration of 161 workers in the Maracay factory into the cooperative after 6 months as the law provides; these workers were in much worse conditions than the cooperative members. In fact, 120 of these workers were dismissed in November 2005.</p> <p>Alleged embezzlement of funds or "administrative disorder" involving undocumented spending of about \$800,000. Some employees suspect that government employees & cooperative representatives were responsible for the loss.</p>

Case	Alcasa	Invepal (Industria Venezolana Endogena del Papel)
Indicators of (emerging) counter consciousness	<ul style="list-style-type: none"> • The factory occupation itself • Desire for more worker control of the factory • Workers' recognition that the enterprise is not state or workers' property but as "people's property" (representatives in EB of organized local population) • Political work/alliances/joint struggle with workers in other factories, unions, cooperatives, other social movements 	<ul style="list-style-type: none"> • The factory occupation itself • Cooperative members continue to discuss which model they wanted to enforce, considering a shift to a socialist factory model; involvement in the debates of Invepal on socialist factory model
Critical factors in the development of counter consciousness	<p>Co-management structures & processes Political education as part of workers' training Political work with workers in other factories, unions, cooperatives, other social movements (social & political support network)</p>	<p>Workers through their assembly electing the president of the company Sense of ownership of the company (although this factor also contributed later on to the erosion of enthusiasm in the administration of the company) Cooperative's involvement in the debates of Invepal on socialist factory model</p>

Annex B. Summary of Cases: Inveval & Brukman

Case	Inveval	Brukman
Author/s	Azzellini (2009)	Ranis (2006); Isaac Isitan's documentary film (2008); Mosby (2008)
Type	Joint cooperative (51% state ownership & 49% employee-owned); second company expropriated by the state on April 27, 2005	Worker-run factory cooperative
Sector	Valve maintenance & repair for the oil industry	Clothing manufacturing
Organization	Inveval	18 de Diciembre
Background	<p>Inveval, formerly named Constructora Nacional de Valvulas (CNV) & owned by former PdVSA (now the state-owned company) president & nowadays opposition leader Andres Sosa Pietri, was shut down during the entrepreneurs' strike in December 2002-January 2003. It was due to be restructured & reopened but with high wage cuts & elimination of compensation for dismissed workers. Workers refused to accept such measures & 63 of them occupied the factory. The workers gave up the occupation at the end of 2004, but inspired by the expropriation of Venepal & as the former owner began to take out machinery from the factory, occupied the plant again in mid-February 2005 until the company was finally expropriated. It was only in mid-2006 that work resumed in Inveval after both the representatives of the Ministry of Communal Economy (Minec), formerly the Ministry of Popular Economy, and the workers agreed about the co-management model on August 4, 2005. However, Inveval could only do maintenance & repair of industrial valves as the foundry for the manufacture of valves is still owned by Pietri & is not part of the factory.</p>	<p>The debt crisis in Argentina accentuated by the severe recession of the late 1990s resulted many bankruptcies. However, there was evidence too that the industrial recession was fraudulently used by some owners to decapitalize their firms, to get governmental credit & divest it for non-production related financial speculation, & deprive workers of their earned wages. Such was what happened to the owners of Brukman. In 1995, Brukman begun laying off workers & had cut workers' pay from 100 pesos a week to 90, 80, 70 & eventually 2 pesos at the time of the 2001 takeover.</p> <p>The factory occupation by workers took place on December 19-20, 2001, the eve of the historic outbreak of popular discontent in Argentina. The workers discovered when they reported to work that the Brukman owners 'abandoned' the factory without paying what was due the workers. The workers run the factory themselves & resumed production. In March 2002, the police evicted the workers but later allowed to re-enter the factory & continue working. However, on April 23, 2003, the police occupied & closed the factory on behalf of the former owners during a surprise raid, after several failed attempts to oust the workers and their support networks comprised of the unemployed poor workers (piqueteros), political activists, students, intellectuals, human rights groups, etc.</p>

		<p>who kept vigil around the clock. An attempt of the workers & their support networks to retake the factory in April 2003 failed & was marked by violent confrontations. For 8 months & 11 days, the workers & their supporters maintained their protests in tents near the factory (named “resistance square”) while they petitioned the Buenos Aires municipality to expropriate the factory on behalf of the workers. The workers’ protest chant <i>“Brukman belongs to the workers, whoever doesn’t like it can go to hell!”</i> embodied their protest attitude.</p> <p>In October 2003, the municipality granted a temporary expropriation & allowed the 60 or so workers to return to the Brukman factory by December 2003. The workers petition for permanent expropriation was finally granted by the Buenos Aires Municipal Council in November 2004.</p>
Year & location	2004 to 2008; Carrizal, Miranda state, Venezuela	December 2001 to November 2004; Buenos Aires, Argentina
Motivations, goals & objectives	Transform the factory into a socialist factory model. Workers at the outset rejected being part owners of the company in the form of a cooperative seeing it as part of the capitalist system.	To keep the factory running to preserve jobs
Actors involved; beneficiaries coverage	Cooperative members/employees Minec	Employees of Brukman, mostly women, their employer & the Argentine state, support networks
Structures of democratic participation	Workers’ Assembly (WA) as the highest authority Factory Council of elected 32 members (formed in January 2007) composed of spokespeople from each department & other volunteer workers Several commissions created in the Factory Council: sociopolitical matters, finances & administration, accountability & follow up, discipline, technical aspects & services	Workers’ assemblies Direct commission with a president and secretary etc.

Case	Inveval	Brukman
Processes of democratic participation	<p>Management of the factory was vested in the WA which elected 3 of the 5 executive board (EB) members including the factory manager. Apart from the 2 EB members, no other government personnel were active in the factory. The weekly factory assembly was to take all important decisions that affect the factory.</p> <p>Factory Council discusses the points evaluated by EB. Commissions in the Factory Council have to report back its work, proposals, etc. to the Council</p> <p>WA can recall any position in the factory</p>	<p>Workers' assemblies held once every week and every fifteen days, depending on the necessity, sometimes twice or three times a week</p>
Outcomes and current situation (as of the writing of the cases) & capacities developed	<p>WA decided right in the beginning on a wage increase & a 7-hour working day made possible various training missions in the factory site (37 of 63 employees take part in educational programs or study in universities)</p> <p>Adopted a new ownership model: now 100% social ownership & 100% managed by the workers.</p> <p>Started integrating work with the metal part producer INAF (also expropriated)</p> <p>Building a joint factory council of 32 speakers from Inveval & 26 from INAF</p> <p>Proposed a new distribution model: their products to be given away for free to the state- and social-owned enterprises that need them in return for a certain amount of money paid by the state according to their own need & local needs defined by the surrounding communities</p> <p><u>Capacities developed</u></p> <ul style="list-style-type: none"> • Ability to fully manage & run the factory • Ability to perform different jobs & tasks due to job rotation • Building structures deepening democracy: WA, Workers' Council, Joint Factory Council with INAF • Work integration/production partnership with INAF 	<p>Women workers are now capable of running a factory successfully without an owner, without any bosses. Expansion of workers' skills through peer training, which meant that the workers and daily tasks became interchangeable. Many discovered hidden talents. Profits increased accordingly, with workers making 150 to 250 pesos a week</p> <p>Today, the factory is a profitable cooperative despite an ongoing struggle over the building. Under the agreement between the cooperative and the Argentine government, the government owns the building and the cooperative must make monthly payments to eventually buy the building back. Valued at close to a million dollars, it may take the factory over twenty years of payments to buy the building.</p> <p>Since the workers began their cooperative, spirits and profits have increased accordingly.</p> <p>Started a movement in Argentina that has led to over 20,000 workers forming cooperatives to run over 200 formerly abandoned businesses.</p> <p><u>Capacities developed</u></p> <ul style="list-style-type: none"> • Ability to fully manage & run the factory profitably

	<ul style="list-style-type: none"> • Alliance- & coalition-building with other workers in EPS, community councils, social movements, etc 	<ul style="list-style-type: none"> • Ability to perform different jobs & tasks due to job rotation • Deepening democracy through regular workers' assembly in all matters related to the factory • Public speaking in protest actions • Alliance- & coalition-building with other workers in EPS, community councils, social movements, etc
Factors critical to success	<p>Highly politicized workers who at the outset laid down their vision of a socialist factory model</p> <p>7-day working day afforded various training & education activities in situ</p> <p>Factory council & its commissions</p> <p>Adoption of a new ownership model: 100% social ownership & 100% worker-managed</p> <p>Job rotation to overcome social division of labor (intellectual & manual work)</p> <p>Recall of any position by WA</p> <p>Coordination & integration with community councils in their neighborhood in order to construct a communal government in the new framework of the communal state</p> <p>The critical role of the local unions in organizing workers' councils; organizing internal school for political education</p>	<p>Confidence among workers, mostly women that they could run the factory & willingness to learn during the process.</p> <p>Many Argentina clothing stores patronized Brukman as a way to support local cooperative businesses.</p> <p>There is a relationship between work satisfaction & profitability.</p> <p>Support networks of unemployed poor workers (piqueteros), political activists, students, intellectuals, human rights groups sustained the 3-year struggle of the Brukman workers</p> <p>Expropriation laws & minimal seed funding for cooperatives from the state</p> <p>Legitimacy of the cooperative movement to the general public</p>
Constraining factors & obstacles	<p>Invepal workers' struggle against PdVSA bureaucracy to have them buy their valves & give them contract for repair & maintenance</p> <p>Conflicts with Milco about raw materials</p> <p>Workers want Invepal foundry still owned by Pietri to be expropriated as well</p>	<p>The Argentine government's apparent favoring the owners over the workers despite the former's evasion of taxes, non-payment of workers' wages, and fleeing the country; the government was still willing to take the owner's lawyers' word that the workers had stolen sewing machines and illegally assumed control of the factory's operations</p>

Case	Inveval	Brukman
Indicators of (emerging) counter consciousness	<ul style="list-style-type: none"> • Adoption of a new ownership model: 100% social ownership & 100% worker-managed • Overcoming social division of labor by job rotation • Proposal of a new distribution model: their products to be given away for free to the state- and social-owned enterprises that need them in return for a certain amount of money paid by the state according to their own need & local needs defined by the surrounding communities • Coordination & integration with community councils in their neighborhood in order to construct a communal government in the new framework of the communal state 	<ul style="list-style-type: none"> • Factory occupation itself • 100% worker-managed & run factory • Joint protests with other struggles for worker occupation & control of factories • Started a movement in Argentina that has led to over 20,000 workers forming cooperatives to run over 200 formerly abandoned businesses
Critical factors in the development of counter consciousness	<p>Workers were already highly politicized even in the beginning of the factory occupation</p> <p>7-hour working day provided time for various training missions from 4:00pm onwards; some workers even attend evening courses in universities</p> <p>Factory Council's involvement in evaluating plans & decisions of 5-member EB</p>	<p>Control & running of the factory enabled the women to find their transformative & revolutionary consciousness. [Grandmothers who had spent their lives raising a family started reading Karl Marx and putting up posters of Leon Trotsky in the workroom.]</p> <p>Their 3-year struggle to get back to work in their factory enabled the workers to find their talents and their political voices.</p> <p>An indicator of an emerging counter consciousness may be explained by a remark of one of the women workers: "We already know how much the suit costs, how much the raw materials cost. Perhaps this is why they want to throw us out, because we know how to manage a factory, and we know that if workers can run a factory they can also run a country and that is what the owners of businesses fear" (Ranis 2006: 15).</p>

Annex C. Summary of Case Studies: Zanon & Maputo-UGC

Case	Zanon	Maputo-UGC
Author/s	Ranis (2006)	Cruz e Silva (2006)
Type	Worker-run factory cooperative	General union of agro-pastoral cooperatives
Sector	Ceramic tile manufacturing	Agricultural & livestock production, marketing & distribution & other allied services
Organization	Fabrica sin Patronos (FaSinPat) ("Factory without Bosses") Cooperative	Maputo General Union of Agro-Pastoral Cooperatives (UGC, Uniao Geral de Cooperativas Agro-Pecuararias de Maputo)
Background	<p>In October 2001, Luis Zanon, owner of the largest ceramic tile factory in Argentina, attempted to close down his factory & lock out his workers. Zanon, after receiving loans & credits of \$45m from the World Bank, Banco Rio, & the Neuquen Province, decided to liquidate & sell off the plant after years of firing workers & other cost cutting measures. At the time of its closing in October 2001, factory production fell to 20,000 sqm of tile per month as Zanon used his capital for speculative & personal investments. In early 2002, the workers occupied the factory. Zanon is one of the few cases in Argentina where the workers began production without the legal permission of the bankruptcy court judge or a provincial legislature to form a workers' cooperative.</p> <p>After 4 years of struggle resulting from the owner's lockout in 2001, Zanon workers held a march and rally on July 7, 2005 to reaffirm their right to continue to occupy & recuperate their factory. Their march was joined by health workers, public employees, teachers, professors and students, townspeople, & organizations of the unemployed. Several weeks earlier, a bankruptcy court judge had reopened bids to place the factory in private hands again. A bid by the wife and son of the former owner was disallowed by a Buenos Aires appellate court on August 5, 2005. Meanwhile, the Zanon workers were</p>	<p>After gaining independence in 1975, the Mozambican government aimed to make the country independent of the capitalist world system by constructing a socialist system where the cooperativization of peasant family agriculture was among the main motors of transformation. At the end of the 1970s, the government launched a campaign for the rebuilding of agro-pastoral production in the green zones, most fertile soils in the valleys surrounding large cities such as Maputo city. The Green Zones Office (GZV) was created in 1980 which aimed to provide administrative & technical knowledge to cooperatives & private farmers, marketing of agricultural equipment & inputs & construction of farm & social infrastructures. It was from the relations established between cooperatives of the green zones & the GZV & a group of peasant women who came together to coordinate cooperative affairs that UGC emerged. In its initial phase & as part of the socialist strategy, UGC was connected with the party in power (Frelimo, Frente de Libertacao de Mocambique). The need for independent, decentralized & democratic decision-making & control of resources led UGC to later on detach itself from the party organizations. UGC started with 7 cooperatives & 500 members.</p>

	able to establish a cooperative which they named “Fabrica sin Patrones” (“Factory without Bosses”) or FaSinPat for short. On October 18, 2005, a bankruptcy court judge awarded the cooperative the administration of the factory for 1 year.	
Year & location	2001 to 2005 Neuquen, Argentina	1980-2000 Maputo, Mozambique
Motivations, goals & objectives	The Zanon workers’ ultimate aim is state ownership of the tile factory under worker control	Initial objective was to create a platform enabling the production of supplementary foodstuffs & additional income to offset the needs of family groups Create economic & social conditions that allow cooperative members, majority of them women, to have access to & control of resources, empowering them to make decisions that can lead to their economic & social betterment Contribute to a gradual change in gender relations by empowering women
Actors involved; beneficiaries coverage	Zanon workers & their cooperative, Zanon Ceramic Workers local union, government	Various agro-livestock cooperatives integrated into the UGC production system; most of the members of the cooperative are women from the poorest strata of society

Case	Zanon	Maputo-UGC
Programs & strategies		<p>Two main components: (1) the Union itself, with its headquarters for the administrative & financial management, technical & support services, & the training sector & production units (economically dependent from the cooperatives); & (2) the cooperatives</p> <p>Registered as a company on March 2, 1990 in order to construct a sophisticated modern organization: composed of 185 cooperatives, 12 area unions, 5,500 members & listed assets.</p> <p>Its diversified activities include: (1) poultry raising; (2) animal feed; (3) agriculture; (4) arts & crafts; (5) a transport fleet; (6) a marketing sector for produce, live & processed (frozen) chickens; (7) construction; (8) cattle raising; & (9) assistance services for production units & cooperatives. Other projects include: fruit trees production & flower & cashew production. A savings & credit union – UGC Aid to Development – was established in 1997.</p>
Structures of democratic participation	<p>Weekly-run Worker assemblies No leadership position is permanent</p>	<p>UGC General Assembly (GA) comprised of representatives of the Area Unions</p> <p>Area Unions comprised of elected representatives of a group of cooperatives of a particular area</p> <p>GA's of individual cooperatives</p> <p>When it registered as a holding company (with its 5,500 members as shareholders) in 1990, its organizational structures includes: GA, Board of Directors, Board of Management, & Board of Supervision, all democratically elected</p>

Case	Zanon	Maputo-UGC
Processes of democratic participation	<p>Weekly-run Worker Assemblies make all decisions by majoritarian determinations</p> <p>Constant rotations of positions of responsibility</p> <p>All workers earn exactly the same monthly salary</p>	<p>GA meets monthly to discuss activities & make the most important decisions</p>
Outcomes and current situation (as of the writing of the cases) & capacities developed	<p>By August 2005, number of workers rose to 480 (from 240 workers who remained to occupy the factory) & production was 300,000 sqm per month. Production under worker control began in February 2002.</p> <p><u>Capacities developed</u></p> <ul style="list-style-type: none"> • Ability to fully manage & run the factory • Ability to perform different jobs & tasks due to job rotation • Building structures deepening democracy • Alliance- & coalition-building with other workers in EPS, community councils, social movements, etc • Strong community outreach 	<p>UGC today has production units & cooperatives in several areas of the province of Maputo</p> <p>UGC ranked 9th among 15 food & beverage companies in the 100 largest companies in Mozambique per volume of trade in 1999</p> <p>Members receive regular wages above the minimum & have social security fund</p> <p>Creation of employment</p> <p>Older women members have a guaranteed retirement pension of half of the wage paid in the production sector</p> <p>UGC has health posts & offers free medical assistance through public health programs to its members & their families</p> <p>UGC has its own crèches, primary & secondary schools & a technical/vocational training institute; some workers receive scholarships for college</p> <p>Encouragement of individual production among members, with access to micro-credit, as a means of promoting small-scale rural family enterprises, later extended to some poor families outside the cooperatives</p>

Case	Zanon	Maputo-UGC
Factors critical to success	<p>Zanon Ceramic Workers local union has successfully carried out a democratically run factory since the attempted shutdown in 2001 with impressive outreach to the Neuquen community. They hire from among the unemployed piqueteros, built & maintained a community clinic, & the factory has continually opened its doors to cultural, artistic & sporting events</p> <p>Community support in the five attempts by provincial police to take over the factory</p> <p>Capacity to form alliances with the progressive legal, labor & political forces available to them</p> <p>Expropriation laws & minimal seed funding for cooperatives from the state</p> <p>Legitimacy of the cooperative movement to the general public</p> <p>The critical role of the local union in confronting repressive factory administration and carrying out a democratically run factory with impressive outreach to the community</p>	<p>Aggressive & innovative leadership</p> <p>Access to market</p> <p>Production units located in areas with good communication facilities</p> <p>Diversification of products & agriculture & livestock related facilities & services</p> <p>Modernization of cooperatives & production systems</p> <p>Formal & technical training of cooperative members for efficient & transparent management (UGC has training centers for 5th & 6th grades & a secondary school for the children of members)</p> <p>Readjusting its organizational form & objectives to survive economic reforms</p> <p>Financial & technical aid from NGOs & access to credit for investment & technical support for training from People's Development Bank</p> <p>Creation of area unions to coordinate actions</p> <p>Members' access to family plots demarcated in cooperative lands for their own cultivation & technical advice for the family plots</p>

Annex C. Summary of Case Studies: Zanon & Maputo-UGC

Case	Zanon	Maputo-UGC
<p>Constraining factors & obstacles</p>	<p>Collusion of neoliberal government & its apparatuses with corporate finance & private capital Provincial government's support to the former owner which sees the Zanon worker experiment as a dangerous alternative model (Neuquen province was home to the newly privatized gas & petroleum holdings employing over 15,000 workers) The bankruptcy law in Argentina, though it allowed as one alternative the formation of cooperatives with government (national, provincial or municipal) involvement, & allowed for the bankruptcy court to rule that workers could initiate production in an enterprise if majority of workers agreed, did not guarantee workers any indemnification for the factory closing. It stipulated that the enterprise would continue to be an integral whole until such time the factory could be auctioned off to a new buyer. Thus a workers' cooperative is not guaranteed any priority in the auction putting it in a very unstable situation.</p>	<p>Low indices of production of some cooperatives Heavy dependence on external aid & bank loans Increasingly competitive market due to liberalization Imbalance or divide between stronger, more viable cooperatives and weaker, less viable cooperatives Competition between UGC and the cooperatives for the best workers who are transferred to production units & pilot cooperatives to the detriment of the weaker cooperatives Young people do not want to join the cooperatives; they don't see any future in them</p>
<p>Indicators of (emerging) counter consciousness</p>	<ul style="list-style-type: none"> • Factory occupation itself • 100% worker-managed & run factory; aim is state ownership of the tile factory under worker control • Workers see their factory at the service of their community & not the market: strong community ties/outreach • Alliances with the progressive legal, labor & political forces available to them • Joint protests with other struggles for worker occupation & control of factories 	<p>Recognition of members mostly women of their role as subjects in a transformation Protagonist role of women: Women occupying the most important decision-making posts in the cooperatives, area unions & the general union as an indicator of women being empowered to change the course of events to their own benefit & widening the field for their participation in public life Access to power & resources are utilized to overcome difficulties; development of 'consciousness' of their social condition & struggle for the resolution of their problems. Construction of solidary knowledge: The realization of the need to extend existing experiments led the UGC to</p>

		<p>become a member of the National Union of Peasants comprised of peasant associations not connected to the UGC (UGC president is also UNAC president) UGC maintains relations with similar national & international organizations</p>
<p>Critical factors in the development of counter consciousness</p>	<p>Zanon workers see their factory at the service of their community & not the market. Self-confidence developed in running the factory themselves rekindled their consciousness of an alternative path of economic development As in the other cases, the collective ownership of the enterprise acts as a catalyst for worker ingenuity, creativity & sacrifice, & offered a strong critique of capitalism's modus operandi (of dehumanizing exploitation of workers) <i>These worker-recuperated cooperative enterprises provided spaces for workers to educate themselves & develop the capacity to imagine & collectively struggle for a different world</i></p>	<p>Emergence of "emancipatory elements" by giving women members' access to education, technical training, land, credit & employment & decision-making led to the gradual empowerment of women (making them aware of their citizenship & changes in gender relations in the family & society (protagonist role of women) As UGC has managed to achieve forms of social inclusion, the UGC experiment shows the possibility of constructing a path that gives its members the role of subjects in a transformation (recall Gibson-Graham); a solidary knowledge is constructed through democratic forms of management & decision-making Alternative economic projects also present a social dimension</p>
<p>Role of counter consciousness in success of project/ initiative</p>		

Annex D. Summary of Case Studies: SEWA & PATAMABA

Case	SEWA waste pickers cooperatives	PATAMABA-Region 6 micro-finance
Author/s	Bhowmik (2006)	Nebila (2009)
Type	Waste picking & recycling cooperative	Integrated approach to micro-finance
Sector	Community cleaning services, catering services	Micro-finance & mutual aid for informal workers
Organization	Saundariya Mahila SEWA Cooperative Trupti Nasta Mahila SEWA Cooperative Society	Pambansang Kalipunan ng mga Manggagawang Impormal sa Pilipinas (PATAMABA) (National Organization of Informal Workers in the Philippines)
Background	<p>Ahmedabad City used to be the center for textile production. For the last 15 years or so, most of the city's textile mills have closed, rendering a large number of workers jobless. The wives & children of many of these jobless workers have been forced "to take the streets for waste collection". For the past 25 years, the Self-Employed Women's association (SEWA), based in Ahmedabad, has been organizing waste pickers in the city as one of its activities. SEWA, with a total membership of nearly 250,000, is the second largest registered trade union in the state of Gujarat.</p> <p>One of the first activities of SEWA as a trade union was organizing waste pickers in the city to protect them from harassment by civic authorities & from the exploitation by traders who buy their daily collection at very low prices. After studying the waste recycling market, SEWA started a storehouse for keeping daily collection which would be sold through auctions when prices increased. Waste pickers are then paid daily at a fixed rate for their collections. Any profit made from the sale is distributed among these women as a bonus. The scheme proved successful so that more storehouses were soon set up in other parts of the city.</p> <p>To provide alternative employment opportunities or regular earnings for a section of these women, two cooperatives were set up. The aim was by providing other</p>	<p>From a small village chapter in Sta. Barbara, Iloilo in 1992, PATAMABA Region 6 now covers 41 village chapters in 12 municipalities and in 4 provinces in the Western Visayan region (Region 6) in the Philippines. To date, PATAMABA has established two successful multi-purpose cooperatives in Iloilo.</p> <p>Apart from organizing for representation & solidarity, women homeworkers, who comprise the bulk of PATAMABA's membership all over the country, also see the need for an enabling strategy that will allow them to engage in cooperative ventures & participate in advocacy reforms within the community.</p>

	<p>types of work, the income of the remaining women waste pickers would increase because their collections would go up. Thus in 1983, SEWA initiated the formation of Saundariya Mahila SEWA Cooperative, a cleaning & collecting wastepaper from offices cooperative with 500 members. In 1994, Trupti Nasta Mahila SEWA Cooperative Society was established, with its 130 members engaged in catering services. This cooperative is one of the more successful cooperative ventures of SEWA.</p> <p>For the remaining waste pickers, SEWA organized a number of part-time economic activities such as shelling peas & beans & paper bags- & paper stationary-making</p>	
Year & location	1983 to 2000; Ahmedabad City, Gujarat state, India	1992 to 2008; Region 6, Philippines
Motivations, goals & objectives	<p>To protect women waste pickers from harassment by civic authorities & from exploitation by waste traders/buyers</p> <p>To provide alternative & regular employment to former waste pickers</p> <p>To improve their working conditions through collective action & build confidence in their own abilities</p>	<p>The formation of group enterprises & cooperatives is aimed to address the need for alternative livelihood in lieu of dwindling resources & lack of opportunities</p> <p>Social enterprise activities are not centrally motivated by profit yet are responsive to women's desire for empowerment</p> <p>Reciprocity, trust, mutual support, community involvement, participation & infusion of local & indigenous practices are to reign in these social enterprises</p>
Programs, strategies, activities		<p>Micro-lending program, savings mobilization, mutual aid & emergency assistance (DAMAYAN), skills training, awareness raising (on gender issues & reproductive health), community organizing, entrepreneurship development, marketing assistance</p> <p>Micro-finance program is implemented through a credit plus approach – combining lending with capacity-building</p> <p>Before loans are released, borrowers are briefed on loan policies & procedures & undergo values formation, skills training & entrepreneurship development. Loan amount varies, but those with good track record can borrow an initial amount of Php5,000 with 2% monthly interest</p>

		payable in regular amortization collected every 2 weeks. Regional Committee leaders in charge of the micro-lending program visit on-site the borrowers' projects, give advice on the business, & track changes in the members' income/asset base, as well as the women-borrowers' role in the household & community. Beneficiaries of micro-finance program are into food processing, sari-sari stores, handicrafts, candle-making & production of novelty items.
Actors involved; beneficiaries coverage	Women waste pickers cooperatives, SEWA as a trade union	PATAMABA Region 6 & its members/beneficiaries who are home-based workers, street vendors, self-employed/own-account workers
Structures of democratic participation	General Body Meetings (General Assembly) Board of Directors elected regularly	Regional Coordinating Council & Committee (RCCC) tasked of policy-making & overall management of projects is comprised of 15 active leaders who elect from among themselves various positions; sectoral representatives of home-based workers, small vendors, small transport workers, non-corporate construction workers & small service workers are also included in the RCCC
Processes of democratic participation	General Assembly (GA) comprised of members as the supreme authority GA electing members of the Board of Directors Training programs for members to take control of their organization	RCCC meets quarterly to discuss, plan, implement & evaluate programs & projects in various areas Representatives of informal sector groups participate in these meetings
Outcomes and current situation (as of the writing of the cases) & capacities developed	Women waste pickers & members of the two cooperatives receive regular income Profits distributed among all members <u>Capacities developed</u> <ul style="list-style-type: none"> • taking over & managing the means of production • discovering new skills & talents • diversifying work (reducing alienation among workers) 	Skills developed in various forms of livelihood such as meat processing, peanut butter production & shiatsu massage. Members were also able to acquire, through a project with a state agency on skills development (TESDA), some tools & equipment for these livelihood projects, such as freezers, meat grinders, kitchen utensils, etc. 97% repayment rate is maintained where the village captains are the co-makers As of October 2008, PATAMABA Region 6 has a total capital fund of Php1.4m, of which Php500,000 came from the Foundation for Sustainable Society Inc. (FSSI).

		<p>Php450,000 of said amount was a recoverable grant contracted for 3 years which will be returned back in 2009. As of 2008, 70% of this amount has already been paid back.</p> <p>PATAMABA also campaigned among its membership for enrolment in the formal Social Security System. It was able to negotiate with the SSS a lower monthly contribution premium, Php47 less than the regular contribution. About 300 PATAMABA joined the SSS by 2008. PATAMABA was also able to enroll many of its members in various health care provision programs by the state, through the local government units, or through the auspices of their congressmen.</p> <p><u>Capacities developed</u></p> <ul style="list-style-type: none"> • Skills in various livelihood activities • Entrepreneurial skills in running a micro-enterprise • Networking & lobbying • Leadership skills
Factors critical to success	<p>Interlinking of trade union with cooperatives</p> <p>SEWA's definite strategy of promoting cooperatives as part of its trade union activity</p> <p>SEWA's strong collective influence as an organization beyond the waste pickers membership</p> <p>Provision of various training programs & cooperative education program & literacy</p>	<p>Various values, capability-building & skills training</p> <p>Strong networking, lobbying & advocacy</p> <p>Good relationship established among partners (state & NGOs) & stakeholders</p> <p>Good credit record</p> <p>Membership & representation in local special bodies</p> <p>Accreditation with government agencies</p> <p>Good implementers & effective M&E</p> <p>Dedicated & committed leaders & members</p> <p>Developing credit discipline among members/beneficiaries</p> <p>Presence of PATAMABA regional office in Sta. Barbara, Iloilo</p>

Case	SEWA waste pickers cooperatives	PATAMABA-Region 6 micro-finance
Constraining factors & obstacles	Harassment from local authorities Termination of contracts for collecting wastepaper from government offices	Lack of awareness of some local government officials on the issues of homebased & other workers in the informal economy Insufficient budget to conduct regular monitoring in far flung areas Natural calamities such as floods & typhoons Increased monthly contribution imposed by SSS for social protection benefits Emergency cases beyond control
Indicators of (emerging) counter consciousness	Recognition of members of their role as subjects in a transformation & protagonist role of women: Women occupying the important decision-making posts in the cooperatives; development of 'consciousness' of their social condition & struggle for the resolution of their problems Recognition of collective identity emancipated them from seeing themselves as socially & economically oppressed & as outcasts among city dwellers	Self-help & collective action was pursued when the organization floundered because credit support from government (Department of Labor & Employment) was cut at the height of the financial crisis. The organization & its beneficiaries encountered economic difficulties, but this led to a greater resolve to rise from failure & institute a micro-finance program that really works. This moment in the organization indicates a growing consciousness by women of their ability to economically empower themselves & assume a protagonist role at home & in the community.
Critical factors in the development of counter consciousness	Collective action for improving working conditions, after they unionized themselves Gained confidence in their abilities Collective recognition of the trade union-cooperative link as an effective measure for the emancipation of the poor & the socially oppressed Identity of waste pickers as union members made them regain self-respect; allowed access into several streets where earlier they were prevented from entering Their collective identity gradually emancipated them from seeing themselves as socially & economically oppressed & as outcasts among city dwellers	Through long term organizational involvement & exposure to gender training & issues, most members manifest empowerment within the home (husband & other male members of the family sharing housework & childcare), within the organization (taking up leadership positions, networking & lobbying for financial & technical support); & within the community (linking with other informal sectors in the community, accessing social protection for vulnerable members of the community, working with local government units, lobbying, etc.)

Annex E. Summary of Cases: Participatory Budgeting & Community Partnering

Case	Participatory budgeting – OP (Orçamento Participativo).	Community Partnering Project
Author/s	Bhatnagar et al (undated), Harvard University – Center for Urban Development Studies and Inter-American Development Bank (undated) and Souza (2001)	Jenny Cameron and Katherine Gibson (2005)
Type	Participatory planning in local/municipal governance	Interface of economic and community development fields
Organization		
Background	<p>Near-homelessness and hunger are everyday realities for a sizeable number of people in the urban areas of Brazil. High life expectancy and literacy and yet a third of city's population lived in isolated slums without access to clean water, sanitation, medical facilities & schools. To overcome this situation, certain innovative reform programs were started in 1989. Participatory Budgeting (OP) emerged as the centerpiece of these programs. It was initiated and supported by three mayors, elected from a coalition elected by the Workers' Party (PT). Since 1989, budget allocations for public welfare works in Porto Alegre have been made only after the recommendations of public delegates and approval by the city council. It is important to highlight that the part of the budget that is affected by the OP is related to infrastructure investment</p> <p>Porto Alegre, a city of 1.3 million people, is the capital of Brazil's southernmost state, Rio Grande do Sul. The South and South-East are considered to have high levels of human development and to be the most developed regions in economic terms. However, it took a while for the OP to take off in Porto Alegre, the main reasons being: an initial lack of financial resources, a government structure in disarray and a lack of mobilization of the poor. The case presented here, draws from three sources in bringing up some of the main issues related to the process of PB in Porto Alegre.</p>	<p>The Community Partnering Project started in Latrobe Valley – a non-metropolitan region which has gone significant deindustrialization over the last decades. That process started in the 1980s with the privatization of the State Electricity Commission of Victoria, drastic downsizing and sale of state mines and power stations to overseas corporations, closure of other downstream industries and withdrawal of services. From a prosperous region accustomed to full employment and periods of rapid growth, it is now characterized by population loss and some of the highest rates of unemployment in Australia, and an overarching sense of despair.</p> <p>The Community Partnering Project focused on developing pathways that build on an expanded vision of the economy to incorporate the economic practices of those who are most marginalised. The case presented here is one of the attempts to develop community enterprises as an economic intervention that might complement mainstream economic development strategies.</p>

Case	Participatory budgeting – OP (Orçamento Participativo).	Community Partnering Project
Year & location	1989, Porto Alegre, Brazil	1999-2000, Latrobe Valley, Victoria, Australia
Motivations, goals & objectives	(a) targeting popular policy to favour the poor while taxing the people and groups most capable of paying; (b) Engender “empowerment” - a form of political consciousness that is both critical of existing inequalities and injustices and yet, at the same time, aware of the promise of collective action in achieving progressive reform.	Create an alternative approach to community and economic development (a) Create initiatives built on the skills, interests and ideas of people who had been marginalized through the restructuring process; (b) Generate community-based economic enterprises that address both social and economic goals; (c) Generate communities of difference (create new identities) by bringing people with diverse life experiences and backgrounds together to work with each other on community initiatives (d)
Actors involved; beneficiaries coverage	Mayers and their staff, councilors, delegates, grass-root movements and the PT, poorer segments of population; women. However the coverage of beneficiaries is broader and includes the poorer groups and young people.	Actors involved: People with professional training and others in the community, particularly those marginalised by economic and social changes (unemployed workers, young people with no job, sole parents heading families broken by the pressure of redundancy and unemployment).
Structures of democratic participation	(a) district and thematic plenary assemblies, (b) preparatory meetings in the micro-districts and on the thematic areas; (c) city-wide municipal budget council;	

Case	Participatory budgeting – OP (Orçamento Participativo).	Community Partnering Project
Processes of democratic participation	<p>The central features of the programme are the district and thematic plenary assemblies that gather in different areas of the city to participate in the budget-writing process. There are two rounds of plenary assemblies in each of the 16 districts and on each of the five thematic areas (transport and traffic circulation; education; leisure and culture; health and social welfare; economic development and taxation; city organisation and urban development). Between the two rounds there are additional preparatory meetings in the micro districts of the city and on the thematic areas, without the participation of the municipal government. In the first round of assemblies, local government officials present the audience with general information about the city budget. After closure of the first assemblies, meetings are held in each neighbourhood, where residents draw up their list of priorities for investment in infrastructure. In the second round of assemblies, each district elects two members and two alternates to the city-wide municipal budget council. The delegates are chosen from those attending the OP meetings. In the months following the district assemblies, the delegates of the district budget fora negotiate among themselves to come up with district-wide “priority lists” of infrastructure projects in each investment category. The municipal budget council determines how to distribute funds for each priority among districts. Finally, each district’s quota is applied following the priority list of the district. The municipal budget council and the district budget fora also monitor spending year-round and engage in regular discussions with local government personnel on issues relating to service provision more generally. The budget council is responsible for overseeing the plans of each city agency.</p>	<p>(a) Conversations and interviews to bring to light the assets that people already had, as well as the diverse economic practices that they are already engaged in.</p> <p>(b) Training workshops (based around communally making and eating food like pizzas) to emphasise collective possibilities, and create an environment of fun and familiarity where people could take risk and ‘play together’ with new ideas.</p> <p>(c) Open invitation workshop to brainstorm about how community assets could be directed towards new enterprises</p>

Case	Participatory budgeting – OP (Orçamento Participativo).	Community Partnering Project
Outcomes/ Current situation and capacities developed	<p>(a) OP has an effect on improving democracy by bringing into the decision-making arena representatives of social groups from low-income areas who have seldom had a chance to make decisions regarding their living conditions;</p> <p>() the OP increases the capacity of excluded groups to influence investment decisions and that it does increase their access to basic urban services, especially infrastructure;</p> <p>(b) Improved facilities (sewer and water connection, housing etc.) for poor people;</p> <p>(c) establishment of distribution criteria to assure a progressive distribution of resources so that poorer areas receive more funding than the well-off ones;</p> <p>(d) Transparency: higher participation and influence of the poor, diminishing corruption and/or clientelism ;</p> <p>(e) Accountability: more people-oriented budget allocation and timely implementation;</p> <p>(f) transformation of political culture from confrontational tactics and corrupt political bargaining to constructive debate and participation of civic engagement in governance;</p> <p>(g) open a debate about “popular democracy” vs “representative democracy”;</p> <p>(h) OP has triggered other participatory processes, aiming at involving other social groups and classes besides low-income groups – Cidade Constituinte (Constituent City) project aimed at discussing the future of the city in a broader and longer-term perspective than that of OP;</p> <p>(i) higher chances to influence the long-term planning development of the regions and communities beyond the governmental term;</p>	<p>(a) Shift the perception that people had to themselves as lacking and not up to the task of creating new futures to skillful and capable people. Likewise, shift the perception of “economically marginalised” as being already economically active and as having the capacity to be involved in shaping the Valley’s future development.</p> <p>(b) A new representation (perception) among participants of the Latrobe Valley as a caring, skilful and learning community</p> <p>(c) People imagining various ways in they might act on their abilities and ideas.</p> <p>(d) four community initiatives started during the funded project as people with very different life experiences and backgrounds came together to build community projects:</p> <ul style="list-style-type: none"> - Latrobe Valley Community Environmental Gardens, a non-profit incorporated association, to transform an old caravan park into a community and environmental garden - Santa’s Workshop space where people could make large outdoor decorations - Latrobe Community Workshed as a woodworking workshop - Latrobe Cyber Circus <p>(e) The project provided opportunities for further skills development</p>

Case	Participatory budgeting – OP (Orçamento Participativo).	Community Partnering Project
Factors critical to success	<p>(a) a history of protest-based neighbourhood activism in Porto Alegre and the existence of a number of attempts at increasing participation by citizens in local budgeting even during the military dictatorship;</p> <p>(b) OP becomes part of the political agenda for PT as a strategy to put into practice their political and social commitments;</p> <p>(c) 1988: Changes in the constitution – municipalities as federal entities and tax recipients; further improvements in the constitution (2000-1) and a significant housing fund (2003);</p> <p>(d) inhabitants having a high rate of associational activity, political awareness and communal trust;</p> <p>(e) participation rate of women is balanced at the plenary levels, but decreases as the scale of decision making goes up;</p> <p>(f) participants in the OP include leadership that shapes popular opinion, drives social agenda and mobilize communities;</p> <p>(g) strong role played by local government in contracting community organizers to positions within the administration and to disseminate information on OP;</p> <p>(h) higher awareness on the potential of participation to shape local development</p>	<p>(a) The role of local agencies such as the council in providing ongoing support for such endeavors</p> <p>(b) through the processes of conversation, workshops and fieldtrip people began to identify with the representation of themselves as active economic subjects and contributing citizens;</p> <p>(c) The sociable and meaningful context for training contrasted with obligatory courses members were required to attend in order to receive unemployment benefits;</p> <p>(d) Any support to the projects should be strategically given, rather than delivered in blanket form as by a funding grant. Such strategic support has to be given in such a way that it does not hinder a group's capacity to deal with challenges themselves (and even to learn from its mistakes);</p> <p>(e) The four initiatives were all located within the community economy and still interconnected with the formal economy;</p>

Case	Participatory budgeting – OP (Orçamento Participativo).	Community Partnering Project
Constraining factors & obstacles	<ul style="list-style-type: none"> (a) Interaction with government puts community movements' independence at risk; (b) Forms of clientelism still survive; (c) Civil society is still developing; (d) Financial limitations and resources for participatory budgeting are still scarce, limiting the scope of the programmes (e) Communities tend to stop participating once their demands are met; (f) Difficulties persist in broadening participation: the very poor, young people and the middle-classes are underrepresented; (g) Programmes disappoint participants because of the slow pace of public works; (h) Cleavages between the PT and the executive; (i) Participatory budgeting risks reification of the popular movement, making it difficult to maintain a clear separation between its role and that of government; (j) Fragmented decisions and short-term demands may jeopardize urban planning and long-term projects; 	<ul style="list-style-type: none"> (a) Underestimation of the importance of building strong relationships with local institutions such as councils, churches and unions; (b) The projects were too dependent on funding support from political institutions
Indicators of “emerging” counter-consciousness	<i>The empowering participation</i> with the explicit orientation towards social and political change.	

Case	Participatory budgeting – OP (Orçamento Participativo).	Community Partnering Project
Critical factors in the development of counter consciousness	(a) the learning process involved in OP and the process of empowerment that goes with it (b) an environment which supports participation and activism of poor people; (c) Encourages programme participants to move away from individualistic views towards solidarity and to see city problems in universal rather than personal terms;	(a) Community as the call to become something new and different; (b) The hope that other forms of communities do work; (c) A new perception of people on themselves, their capacities and potential, and discovery of new interests; (d) Inclusive processes which empower people to imagine the various ways in they might act in their abilities and ideas;
Role of counter consciousness in success of project/initiative	(a) Higher awareness on the potential to achieve change has led people to challenge the domination of authorities over the allocation of public resources and increase further their activism.	
Replication and sustainability	As of 2005: high level of replication (180 municipalities in Brazil, Argentina, Uruguay, Peru, Ecuador, Colombia, Bolivia, Mexico and Chile); It is argued however that the replication has been rather formal as the initiative was successful because of the specific environment in Porto Alegre. Other authors argue that the initiative itself can be successful and transferable else where with a different combination of strategies.	Each of the initiatives has the potential to consolidate its economic practices and develop into a more fully fledged economic enterprise.

Annex F. Summary of Cases: Recycling Co-ops & Wire Machinery Cooperative

Case	Recycling co-ops & micro-credit in Sao Paulo	The wire machinery cooperative
Author/s	Jutta Gutberlet (2009)	Sharit K. Bhowmik (2006)
Type	Recycling Coops – social economy	The wire machinery cooperative
Sector	Services	Industry/manufacturing
Organization		Alcond Employees Industrial Cooperative Society Limited
Background	<p>The scope and the degree of urban poverty and social exclusion in the 'Global South' has become a concern of unprecedented magnitude which needs to be addressed with innovative and fair strategies. Exclusion is one of the results of inequitable social and economic development, often as a result of restructuring and the consequent unemployment and spatial and social segregation. In many cities throughout the world, informal recycling has become the main activity of the impoverished and excluded population. Organised resource-recovery and recycling is a unique opportunity to generate income and to empower those involved. In addition, this activity produces environmental and resource-conservation benefits. This article discusses co-operative recycling as a form of social economy which helps to build human, social, financial, political, and natural assets. The availability of micro-credit is essential to facilitate and enhance this activity. The article is situated within a social and solidarity economy which emerges as a response to inequality and provides insights on policy-making and livelihoods issues pertinent to the informal sector in the Latin American context. It is not an exhaustive account of social economy but describes the experience of a recycling network with micro-credit as working capital. The case study presented in the article underlines the revolutionary potential of social and solidarity economy in provoking social change, with women being in the forefront of this process. Attention is</p>	<p>Calcutta the capital of West Bengal is house to a number of cooperatives that have emerged through workers' struggle. The state is governed by a coalition of communist and leftist political parties known as the Left Front.</p> <p>This is the story of a private company producing wires of different gauges for cranes and other hauling equipment. Its products are required by larger industrial units. Faced with serious power shortages, and not willing to invest on its own captive power, the company's market gradually declined. It shut down the factory (1975) despite union's efforts to get the owners to open the factory and pay workers' wages. In 1978 the owners appealed to the High Court for permission to liquidate the company. The union suggested that workers should try and run the factory by forming a cooperative and take over production as a temporary measure of relief. They believed this was a prelude to a takeover by the state. The cooperative was registered in 19 September 1980 and started to pay higher wages for the workers by 1985. In an effort to increase their incomes, the workers would need to upgrade their machines which were not property of the cooperative. The workers embarked on a very difficult project to purchase the company (the only way they could be owners of the machines) and were able to raise the necessary amount (giving up their stipend for few</p>

	also given to the barriers and difficulties that the recyclers currently face in their attempts at collective commercialisation.	months, raising loans privately and with a big loan from a bank guaranteed by the government). The cooperative became owner of factory in May 1986.
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Case	Recycling co-ops & micro-credit in Sao Paulo	The wire machinery cooperative
Year & location	2005 – ongoing, metropolitan region of São Paulo	1975 and ongoing, Calcutta, West Bengal, India
Motivations, goals & objectives	(a) Overcoming hurdles in collective commercialization - Building social cohesion - Access to financial assets - Access to transportation - Increased transparency	(a) Contain the problem of unemployment and have the factory become state owned.
Actors involved; beneficiaries coverage	Project management committee (composed of 24 participants with voting power, drawn from the local government, recyclers' movement, NGOs and the university) The coverage of beneficiaries is wider including all members of the associations.	95 workers of the factory, local trade union were the main actors involved.
Structures of democratic participation	(a) Regular meetings at different levels	The elected committee (Managing Committee) which comprises a chairperson, a secretary and seven committee members makes decisions on policy matters;
Processes of democratic participation	(a) participation in regular meetings as a strategy to build social cohesion and empower people; (b) Deliberate steps to observe, reflect, plan, and act to improve the practice as an ongoing process. Collective critical evaluation has been part of this learning process, crucially conducted in an atmosphere of mutual understanding and consensus, democratic decision making, and common action;	(a) dissemination of information in formal and informal meetings in which unions would explain to workers the functioning of the cooperative; (b) The views of ordinary members were taken seriously and they were encouraged to be critical while expressing their views or suggestions; (c) day to day activities and policy matters were handled through consensus;

Case	Recycling co-ops & micro-credit in Sao Paulo	The wire machinery cooperative
Outcomes/current situation and capacities developed	<p>(a) higher income (no middlemen required);</p> <p>(b) group members are more stimulated and satisfied in collective work;</p> <p>(c) strengthened cooperation among network participants;</p> <p>(d) learned experiences in administration and financial control;</p> <p>(e) capacity development of collective ownership and decision making among the recyclers;</p> <p>(f) empowerment of poor, particularly women to take up new responsibilities and gain self-confidence. (one of them has become a representative for the national recyclers' movement, and another woman has taken more responsibilities within the cooperative);</p> <p>(g) Empowered people have a chance to influence policies that affect their living conditions. Participatory development, particularly through women, has enormous potential for social change;</p>	<p>(a) protect job losses and production through collective action;</p> <p>(b) wage increases and coverage by the Employees State Insurance Scheme (for illness and accidents), the provident fund (retirement scheme), social security scheme</p>
Factors critical to success	<p>(a) 'Solidarity economy' is a widespread concept and has entered the discourse of public institutions from the local to the federal level;</p> <p>(b) Support of the state institutions for the organized recycling and investment in capacity building (October 2007 – the municipal government of Sao Paolo signed a decree which guarantees recycling co-ops priority in the city's tender for the recollection of recyclables);</p> <p>(c) a higher level of organisation of the recycling groups facilitates the implementation of inclusive waste-management programmes;</p> <p>(d) degree and availability of human and social assets determine the success or failure of collaboration;</p> <p>(e) trustful relationships are key to networking;</p> <p>(f) outreach activities and action-research as fundamental</p>	<p>(a) State intervention crucial to the formation of the cooperative;</p> <p>the cooperative has learnt to depend on its own strength for survival, rather than depend on an external agency like the state government;</p> <p>(b) High awareness on the functioning of the cooperatives</p> <p>(c) The critical role of the local union in leading the transformation of the enterprise into a worker-run factory (wire factory cooperative).</p>

	<p>in empowering participants and building a participatory management scheme within co-ops.</p> <p>(g) a comprehensive plan to provide micro-credit, through government or non-government initiatives is pivotal for the strengthening and growth of these groups towards more autonomy;</p>	
Constraining factors & obstacles	<p>(a) insufficient infrastructure and the lack of human skills necessary for collective commercialization;</p> <p>(b) Prices for recyclable material fluctuate significantly as a consequence of global market trends;</p>	<p>(a) lack of adequate working capital related to lack of support for cooperatives from the government;</p> <p>(b) corruption in procuring orders (prevalent when procuring orders from the government);</p> <p>(c) the support of the union was present at the local level, but not at the state level. Should the union have pressured at the state level, the cooperative wouldn't have needed to outsource its relations with costumers to the agents.</p>
Indicators of "emerging" counter-consciousness	<p>(a) "Associations" were created in order to organize and protect communities;</p> <p>(b) the capacity to develop collective ownership;</p>	<p>(a) ordinary workers are capable of taking control of the means of production if they are given the opportunity;</p>
Critical factors in the development of counter consciousness	<p>(a) Inclusive processes which empower the underprivileged and excluded;</p> <p>(b) participation (collective action) and solidarity (cooperation) are fundamental to empowerment;</p> <p>(c) the praxis of being included, of having a voice, of being reflected in the brainstorming, discussion, and decision making clearly differentiate this development process;</p>	

Annex G. Chantier de l'économie sociale

Case	Chantier de l'économie sociale
Author/s	Neamton (2002), Gouvernement du Québec, 2003
Type	Social economy
Sector	
Organization	Taskforce/permanent structure Chantier de l'économie sociale
Background	<p>The social and solidarity economy are concepts that have become increasingly recognized and used in Quebec since 1995. The Summit Conference on the Economy and Employment was held in the fall of 1996, at which time the government set up a task force on the social economy. Faced with 12% unemployment rate and a significant deficit, the task force was given a mandate to define and have recognized the Québec's social economy model, elaborate an action plan, mobilize the means to launch projects, and spur the development of the social economy. The task force's report, recommended in particular that the government increase its support for the social economy, adapt support measures to collective entrepreneurship, develop the appropriate forms of funding, and so on. In recent years, the government has made the social economy a priority. Financial assistance increased from less than \$200 million in 1996-1997 to more than \$1 billion annually in 2002-2003. The emphasis the government places on support for home services, especially the implementation of childcare centres, which account for roughly 85% of government assistance for the social economy, largely explains the significant growth in the funds earmarked for the social economy.</p> <p>The social economy, which is promoted by the <i>Chantier de l'économie sociale</i>, is part of a double-sided social movement. It is a movement of social transformation, aiming for the democratisation and development of an</p>

	<p>economy of solidarity; a movement which is able to evolve without confusing political goals with ideas concerning economic development. At the same time, the social economy is a movement of strategy and of action, aimed and deployed into the heart of a mixed economy that combines the activities of the market, the State and civil society. Thus, this dual reality does not manifest itself only in the context of ideological or political debate; on all levels, theoretical and practical, the social and solidarity economy explicitly confronts the assumptions and assertions of a neo-liberal vision of the economy.</p>
Year & location	1996 ongoing

Case	Chantier de l'économie sociale
Motivations, goals & objectives	<p>(a) To promote the social economy, to support the consolidation, experimentation, and elaboration of new projects and fields, to encourage consultation between the diverse participants of the social economy, and to ensure these actors be represented within the public domain;</p> <p>(b) To achieve visible gains and to demonstrate the potential of collective enterprise or organisations;</p> <p>(c) it attempts to build new networks and partnerships that are based on common ideas and strategies</p>
Actors involved; beneficiaries coverage	<p>The task force was made up of representatives of the unions, women's groups, the Mouvement Desjardins, the government, Hydro-Québec, the Conseil de la coopération du Québec (CCQ), community groups and the traditional private sector.</p>
Structures of democratic participation	<p>From a partnership taskforce with representatives from different constituencies, the Chantier de l'économie sociale has become a permanent structure with its general assembly, and elected board of directors. The 28 members of the board are elected by different electoral colleges. The board of directors includes representatives of cooperative and non-profit enterprise, of social economy development groups and representatives of the large social movements (community, women, labour, environmental, cooperative and culture, leisure and local development movements) which share the values and visions of the social economy.</p>

Case	Chantier de l'économie sociale
Processes of democratic participation	
Outcomes/current situation and capacities developed	<p>(a) The Chantier became a permanent structure;</p> <p>(b) Creation of a new financial instrument (RISQ) with ten million dollars available for social economic initiatives;</p> <p>(c) The Chantier also co-directs an inter-university research partnership, called the <i>Alliance de recherché universités-communautés en économie sociale</i> as well as a committee which in partnership with public employment institutions and the actors in the social economy, works hard to improve work and management-oriented skills in diverse sectors of activity.</p> <p>(d) Government program spending devoted to the social economy has increased from 0.5% to 2.7% in the period 1996-2003 progress has been particularly significant in respect of childcare centres, home help services enterprises, labour market integration firms and adapted work centres.</p>
Factors critical to success	<p>(a) efforts spent to convince the diverse networks within the social economy on the necessity to work together with a common goal;</p> <p>(b) establishment of a clear definition of the social economy;</p> <p>(c) making its past achievements more visible;</p> <p>(d) proposing a series of sector-by-sector strategies that would allow for the emergence of new economic activity able to respond to social, economic, and environmental need;</p> <p>(e) a formal recognition of the role of social economy within the socio-economic landscape in Quebec;</p>

	<p>(f) integration of local and regional development policies that would ensure support for collective enterprise;</p> <p>(g) changes in legislation on cooperatives which allow for the creation of solidarity cooperatives</p> <p>(h) establishment of new training and funding tools;</p> <p>(i) an environment which valued consultation and representation, as well as the collaboration of the Quebec government (however imperfect, at times);</p> <p>(j) the degree of visibility of different social economy initiatives;</p> <p>(k) the degree to which social economy relies on social movements which share the values of solidarity and equity in their struggles;</p>
Constraining factors & obstacles	<p>(a) the economy based on communitarian values being far from the dominant view;</p> <p>(b) difficulties in identifying, recognising and using the term 'social economy';</p> <p>(c) suspicion on the process among the participants of the task force since the process took place within limits 'imposed' by the state;</p>
Indicators of "emerging" counter-consciousness	<p>(a) the Chantier is actively working towards building a global network of initiatives within the social economy in the recognition that the existing initiatives remain modest in an economy where neo-liberal perspective is dominant.</p>

Case	Chantier de l'économie sociale
Critical factors in the development of counter consciousness	The achievements of the social economy go beyond an immediate response to needs. They allow the participants of this movement to create a different kind of economy, and to do so as a community. They also help to destroy the fatalism that neo-liberalism perpetuates in its claim to be the only model of development. As such the gains of the social economy inspire groups and movements to conceptualise larger and more complete strategies that aim to develop a world economy that is both global, and is based upon solidarity.