COPE

Training Module 3
Cooperative governance

Confcooperative Romagna, Forlì 2022-11-16

COPE TRAINING MODULES GUIDELINES

Preface

COPE Project's Intellectual Output 1 constitutes the main IO of the project's training content development phase. It consists of the production of an active and creative learning model which is designed to enable trainers in organizations managing entrepreneurship education spread to knowledge about cooperatives and motivate and prepare people for potential establishment of innovative cooperatives or other forms of social enterprises.

The present training Model corresponds to one of the project's Modules within COPE´s training handbook.

The training handbook is based on the gap analysis findings. The partners collected information in three specific ways:

by undertaking an analysis of the state of the art on existing methodologies adopted to promote cooperative model which will provide solid ground and more knowledge about how to structure the learning methodology

by collecting good practices already implemented by partners at local level. Good practices were collected with a common description form which was created by the partners and filled in by advisors and trainers.

by interviewing trainers and experts in the field.

Its production was undertaken by Confcooperative Romagna, Forlì, Italy, one of the project's Partners.

Confcooperative Romagna wishes to acknowledge the contribution of Francesco Strocchi and Susana Alves from Confcooperative Romagna, and the support of Kara Bobowski Società Cooperativa and of others who provided helpful comments on its contents.

Francesco Strocchi

Forlì (FC)

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Contents

Introduction to the module´s content and structure

Learning outcomes covered within this module include the ones highlighted below.

LEARNING OUTCOMES OF MODULE 3
Cooperative governance

Knowledge	
	Understanding the cooperative principles
	Sustainable development and environmental protection
Skills	
Competences	
	Collaboration between cooperatives
	Collaboration between cooperatives and other businesses

Do we have common values and common goals?

First of all, we have to be familiar with our values and purpose. Which of the 7 cooperative principles are the most important for our team? Which one of them helps us to direct our business?
In Module 1, we have discovered the cooperative model, the values behind it and the needs that lead us to start our business. The key is to clarify the point of view of everyone.

How are cooperatives governed?

The members, after defining the social purposes, the rules and the name, give life to the cooperative through a public deed that must be drawn up by a notary, which takes the name of the Constitutive Act. Members agree on a set of bylaws that are constitutional for the governing of the cooperative from then on.

STATUES OR BYLAWS

The bylaws have to include the following rules:
- the purpose of the cooperative
- the name of the cooperative
- the main office

The bylaws should additionally include rules about:

- how to become a member
- cessation of membership
- membership duties, e.g. if membership fees have to be paid
- the composition of the board of directors
- how and when the members come together for a general meeting
- elections and voting procedures
- specifics about proposals and voting on resolutions

In general, cooperatives can develop their bylaws as they wish, as required by law. Often bylaws are written according to guidelines provided to cooperatives.

Optional sections in the bylaws are often included to meet the requirements of the cooperative's individual purpose. As mentioned above, certain points have to be included in the bylaws so that the cooperative runs smoothly and there is no dissimilarity between members and the executive.
In certain cases, it is necessary to amend the bylaws to keep up with new developments in society.

INTERNAL REGULATION

The relations between the cooperative and the members may be governed by regulations that determine the criteria and rules inherent in the performance of the mutual activity between each other. The regulations, if not an integral part of the Constitutive Act, must be approved by the Assembly.

The assembly, or the general meeting, represents the most important body of the cooperative, because it gathers all the members, decides on particularly important elements such as the amendment of the articles of association, the appointment of the corporate offices, the remuneration to directors and control body, the adoption of regulations, the approval of the financial statements.

Each cooperating member shall have one vote, whatever the value of the share or the number of shares held, apart from specific and limited exceptions for legal persons. The level of majorities required for the constitution of the shareholders' meetings and for the validity of the resolutions are determined by the bylaws of the cooperative.

How do we make decisions?

DEMOCRATIC PARTICIPATION: ONE HEAD ONE VOTE

Democratic participation is embodied in the important principle of the "per capita vote", understood in the sense that each cooperating member has the right to one vote whatever the value of the share of participation in the capital.

Corporate bodies

The shareholding structure of cooperatives must be made up of at least 3 members.

The requirements of the candidate members are indicated directly in the deed of incorporation, in which the relative admission procedure is determined in compliance with the "open door" principle.

When founding a cooperative, certain criteria need to be fulfilled:

1. A first meeting of the founding members/incorporators
2. File articles of incorporation
3. Creating and approving bylaws for the cooperative
4. Appointing or electing a board of directors
5. Writing down the results of the first meeting
6. Obtain relevant (business) licenses and permits
7. If necessary: hiring employees

Generally, all cooperatives have a general meeting open to all members and a board of directors who run the cooperative on behalf of the members. More committees can be constituted in the bylaws.

The assembly

It represents the most important body of the cooperative, because it gathers all the members, decides on particularly important elements such as: the amendment of the articles of association; the appointment of the corporate offices; the remuneration to directors and control body; the adoption of regulations; the approval of the financial statement.
The assembly is the body that gathers all the members who, by voting democratically, expresses the social will.

The shareholders' meeting meets in ordinary or extraordinary sessions. The ordinary assembly is competent to:

- the approval of the financial statements and the distribution of profits, within the limits and to the extent established by the articles of association and by law.
- the appointment and revocation of members of the board of directors and the determination of their remuneration.
- the appointment and revocation of the board of statutory auditors, if provided, as well as of the body responsible for the legal control of the accounts.
- the modification of the deed of incorporation.

Each cooperating member shall have one vote, whatever the value of the share or the number of shares held, apart from specific and limited exceptions for legal persons.
The majorities required for the constitution of the shareholders' meetings and for the validity of the resolutions are determined by the deed of incorporation and are calculated according to the number of votes due to the members.

Annual meetings
At least one every year to approve the annual budget, and one every 3 years (but it depends on the statute) to renew corporate offices.

The board of directors

The board of directors, appointed by the shareholders' meeting, is the body that deals with the management of the cooperative and exercises its governance.
The majority must be chosen from among the cooperating members or from the persons indicated by the cooperating members legal entities. In any event, title holders may not be granted the right to elect more than one third of the directors.
The Management Board can hold positions for a maximum of three financial years.

The supervisory body

The control body must supervise compliance with the law and the articles of association, compliance with the principles of proper administration, the adequacy of the organizational structure, the administrative and accounting system and the general performance of the company's activities.

In addition to these controls made by an external figure, the current discipline provides that the cooperative is equipped with an organizational, administrative and accounting structure appropriate to the nature and size of the company, which can promptly detect the crisis situation and the loss of business continuity. This element is of particular importance also with reference to the responsibility of the directors.

How do we resolve conflicts?

Conflicts can often arise inside democratically run organizations, just like any other. Conflicts need to be addressed and different cooperatives may have different ways of doing so, but generally, the statutes or bylaws of a cooperative should give members a rather clear idea of what formal steps are possible. More informal ways are also perhaps a venue worth exploring. The following is an exercise that teams from within and organization can use to bring forward and clarify what it is that leads them towards cooperation, rather than working alone. The exercise focuses on the common that brings the collective together, and after completion, cooperative members can reconsider their grievances and possibly

Value words: Implementation of vision and values

This is a working document that is intended as a help for us who work with our cooperative values and how we can implement the vision and values in our daily work.

- What is the meaning of the values for us, for those we work with and our external contacts and customers?
- How do we act according to our values?
- We will all have a better answer to that after we work with the value words.

Use the vision and valueboard sheet.

1. Find 3-4 words that you want your cooperative to stand for that reflect your values and how you do things at your cooperative.
2. Write down the **value words** on the sheet
3. In the first box, describe what the **value word means** to you   (repeat with all the words)
4. In the second box, you describe how it **manifests itself** in your daily work **internally in the cooperative** (how you in the staff should be towards each other)
5. In the third box, you describe how it **manifests itself** in your daily work **externally in the cooperative** (customers and partners)

Now you can go out into the world and represent your cooperative based on a common value base.

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Sustainability

Bibliography

"Creare un Impresa Cooperativa",

Annex

A. GAME: "RISE A COOPERATIVE!"

    Contents:
- **Instructions**
- **"Talents and Roles" Cards**
- **"Chance and Community Chest" Cards**

B. **PRESENTATION to help the "Master" lead the game**

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GAME
"RISE A COOPERATIVE!"

Part 1:
"Talents and Roles"

Part 2:
"Chance and Community Chest"

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Instruction PART 1

Step.1 - Give to each participant one of the cards with the roles (president, vice president, member,...) - orange background.

Step.2 - Give to each participant one of the cards with the "ideas to lead the cooperative" (expand market, invest in technology,...) - yellow background.

!!! Everyone must read his own card, without showing it to anyone.

Step.3 - Start the discussion! Everyone must play the role written in his own cards and try to lead the discussion to his goal (yellow card) and playing the role written in the orange card.

!!! - The Trainer needs to lead the discussion, trying to let everybody talk

and trying to moderate the discussion to reach a common goal!

TIPS: You can use the empty cards to use your own creativity and add some pepper to the discussion!

PRESIDENT	VICE PRESIDENT PURCHASING MANAGER	MEMBER ADMINISTRATIVE MANAGER	SUBSIDIARY MEMBER
MEMBER OF THE BOARD OF DIRECTOR	MEMBER OF THE BOARD OF DIRECTOR	MEMBER OF THE BOARD OF DIRECTOR	MEMBER OF THE BOARD OF DIRECTOR

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MEMBER **WORKER**	**MEMBER**	**MEMBER** **WORKER**	**MEMBER**
MEMBER	**MEMBER** **WORKER**	**MEMBER**	**MEMBER** **WORKER**

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YOU WANT TO EXPAND THE MARKET BY LOOKING FOR CUSTOMERS OUTSIDE THE TERRITORY	YOU WANT TO INVEST IN TECHNOLOGY TO OPTIMIZE PRODUCTION	WANT	

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Instruction PART 2

!!! Sometimes, even if you achieve the same goal, unexpected events can happen... but opportunities can also arise!

Step.1 - Give to each participant one of the cards with the unexpected events - grey background.

Step.2 - Give to each participant one of the cards with the opportunities - light blue background.
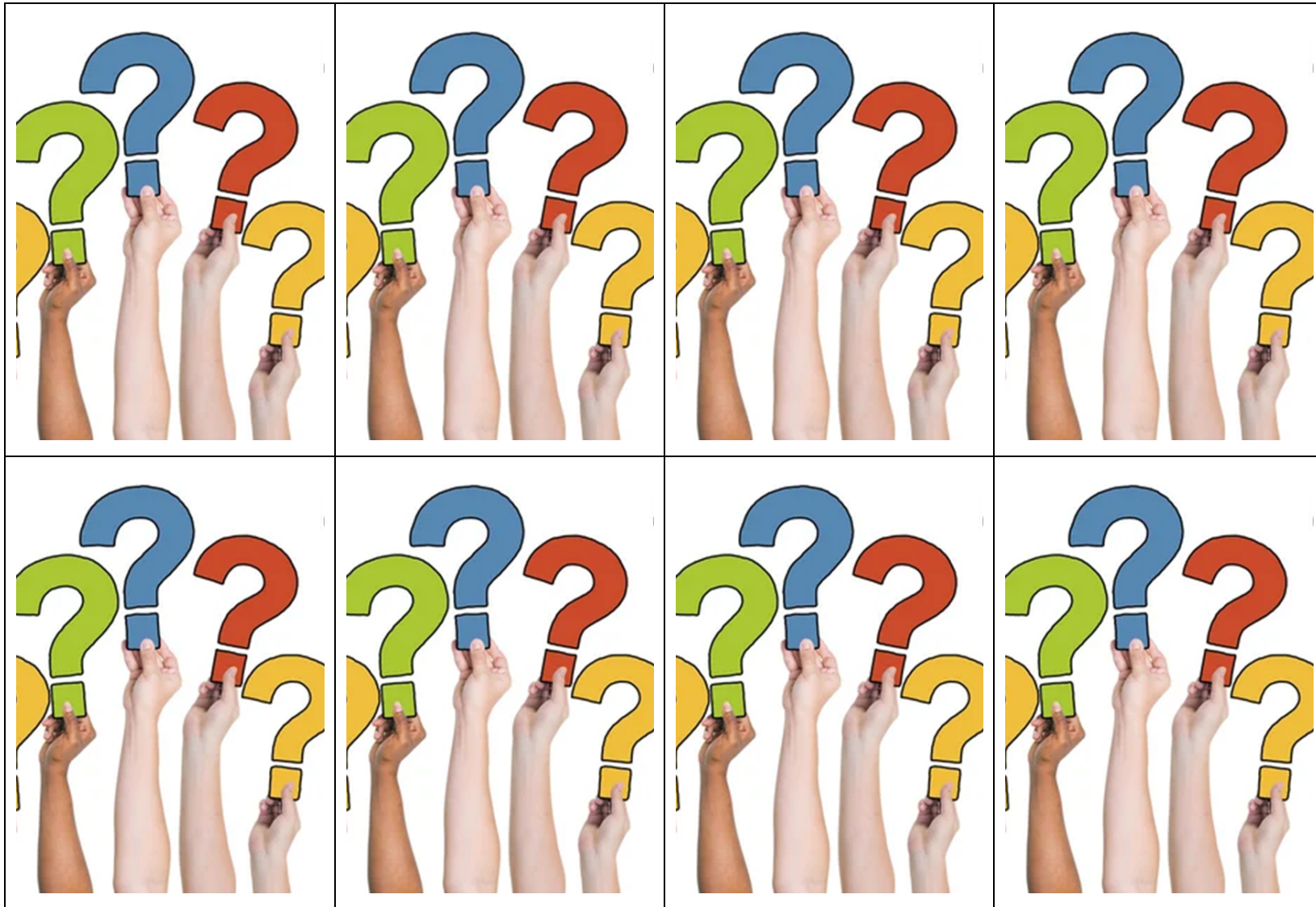
Step.3 - Everyone, in turn, reveals the card with the unexpected events. The group has to find the right solution to face the obstacle and overcome it! Everyone has to continue playing the role in the yellow card, but can use the opportunity-card if it helps!

!!! - Again, the Trainer needs to lead the discussion, trying to let everybody talk

and trying to moderate the discussion to reach a common goal!

TIPS: You can use the empty cards to use your own creativity and add some pepper to the discussion!

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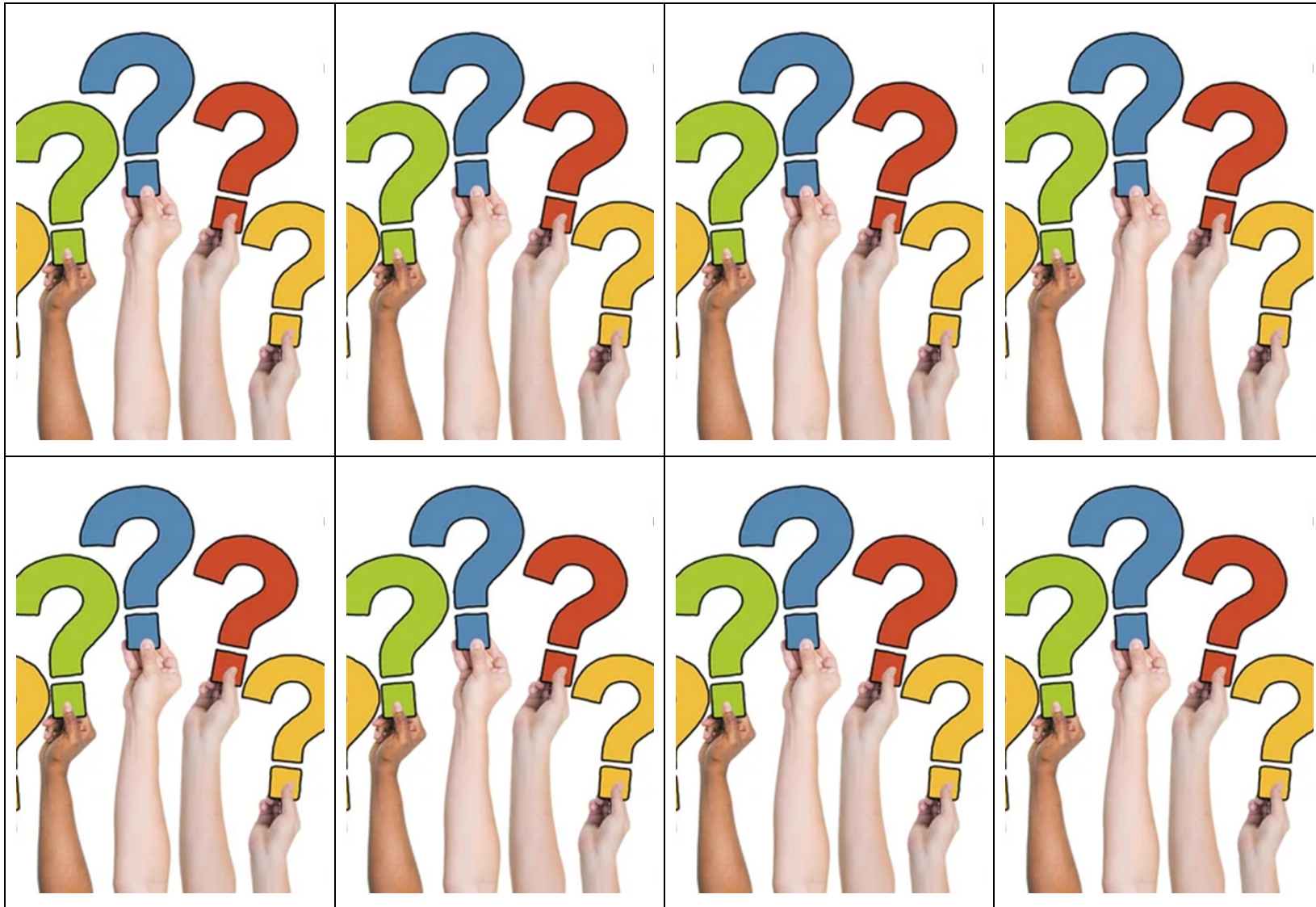|			
IN RECENT TIMES A CERTAIN DISCONTENT HAS BEEN CREATED BECAUSE THINGS ARE NOT GOING WELL: I ASK FOR A VERIFICATION WITH THE POSSIBILITY OF CHANGING THE LEADER.	IN RECENT TIMES A CERTAIN DISCONTENT HAS BEEN CREATED BECAUSE THINGS ARE NOT GOING WELL: WE LOOK ALL OVER AGAIN LOOKING FOR A SOLUTION THAT WORKS FOR EVERYONE.	IN RECENT TIMES A CERTAIN DISCONTENT HAS BEEN CREATED BECAUSE THINGS ARE NOT GOING WELL: WE ARE LOOKING FOR ANOTHER LEADER EVEN OUTSIDE THE GROUP.	THE COMPANY IS GOING THROUGH A BAD TIME BECAUSE OF THE ORGANIZATION OF WORK: LET'S ANALYZE THE SITUATION TOGETHER AND TRY TO UNDERSTAND HOW TO GET OUT OF IT.
THE COMPANY IS GOING THROUGH A BAD TIME BECAUSE OF THE ORGANIZATION OF WORK: WE RELY ON THE EVALUATION OF AN EXTERNAL EXPERT.	THE COMPANY IS GOING THROUGH A BAD TIME BECAUSE OF THE ORGANIZATION OF WORK: WE RELY ON THE ADVICE OF CONFCOOPERATIVE.	WE ARE LOSING ALL RESOURCES, LET'S TRY TO FIGURE OUT HOW TO RECOVER: WE GET AN INTERVIEW AT THE BANK.	WE ARE LOSING ALL RESOURCES, LET'S TRY TO FIGURE OUT HOW TO RECOVER: WE ARE LOOKING FOR SUBSIDIZING MEMBERS

WE ARE LOSING ALL RESOURCES, LET'S TRY TO FIGURE OUT HOW TO RECOVER: WE ARE LOOKING FOR A COLLABORATION WITH OTHER COOPERATIVES IN THE AREA.	A MULTINATIONAL HAS BEGUN TO COMPETE WITH US ON THE TERRITORY: WE TRY TO MOVE IN ORDER TO BE COMPETITIVE ON THE SERVICE.	A MULTINATIONAL HAS BEGUN TO COMPETE WITH US ON THE TERRITORY: WE OFFER TO WORK FOR HER.	A MULTINATIONAL HAS BEGUN TO COMPETE WITH US ON THE TERRITORY: WE CHANGE ACTIVITIES OR TERRITORIES.

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YOUR FAMILY OWNS A 55 SQM APARTMENT IN THE OLD TOWN ON THE GROUND FLOOR. IT IS CURRENTLY OCCUPIED, BUT TENANTS VACATE IT AT THE BEGINNING OF THE YEAR	YOUR GRANDMOTHER TAUGHT YOU TO SAVE AND FROM AN EARLY AGE SHE MADE YOU PUT COINS IN YOUR PIGGY BANK. NOW IN THE CURRENT ACCOUNT YOU HAVE JUST OVER € 10,000.00 TO START YOUR OWN BUSINESS.	YOUR UNCLE HAS JUST DECIDED TO CLOSE HIS RESTAURANT AND HAS A FANTASTIC PRACTICALLY NEW INDUSTRIAL KITCHEN EQUIPPED WITH ALL THE "TOOLS OF THE TRADE".	YOUR CARPENTER UNCLE RETIRES AND HAS A VAN THAT HE NO LONGER USES.
YOUR ARCHITECT SISTER CHANGES COMPUTERS AND IS WILLING TO GIVE YOU HER EQUIPPED WITH DIFFERENT GRAPHICS PROGRAMS IN EXCHANGE FOR ETERNAL GRATITUDE.	YOU'VE ALWAYS USED YOUR FATHER'S CAR FOR TRAVEL, BUT YOUR GRANDFATHER HAS A SHINY NEW CITY CAR AND HAS DECIDED NOT TO RENEW HIS LICENSE.		
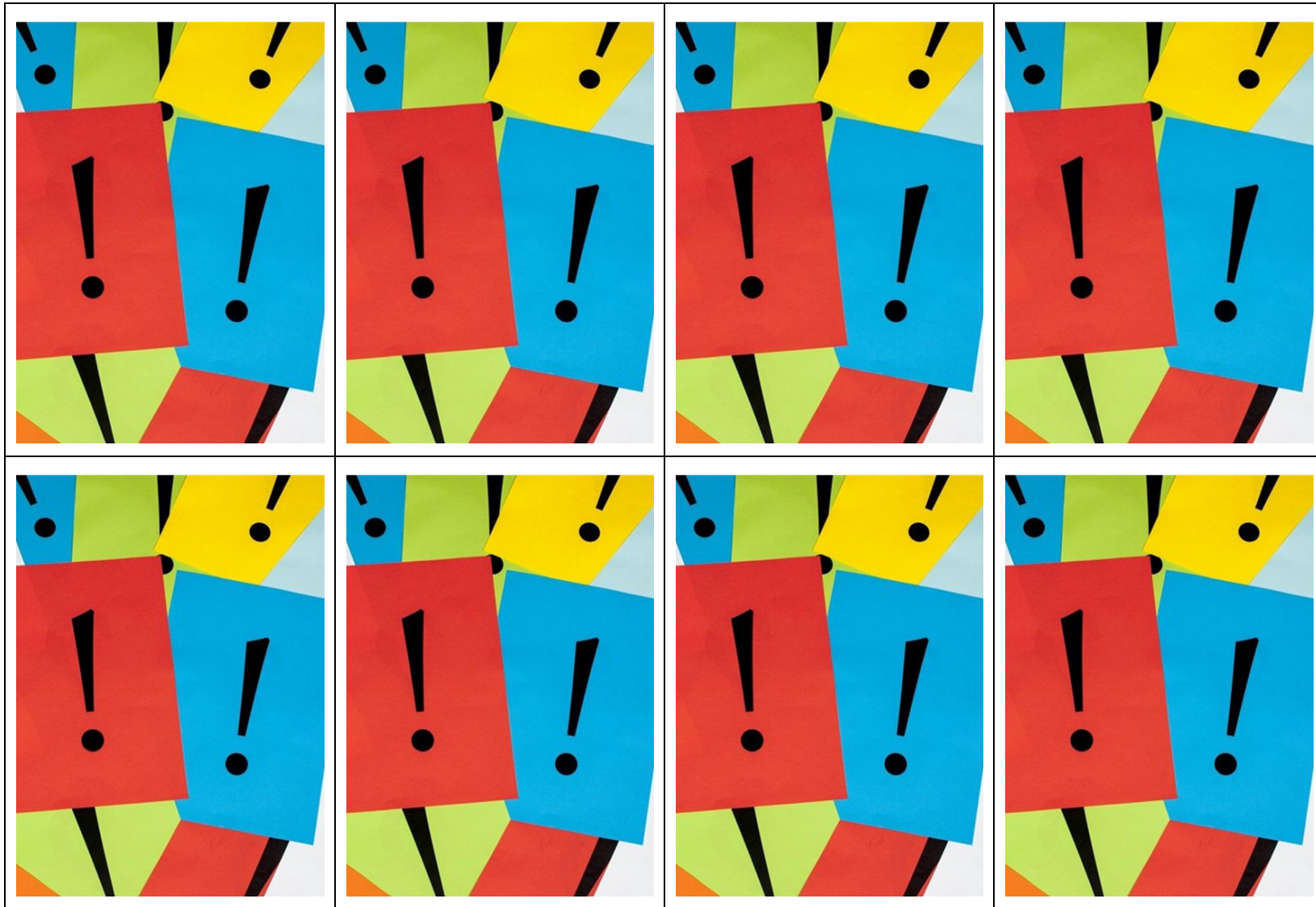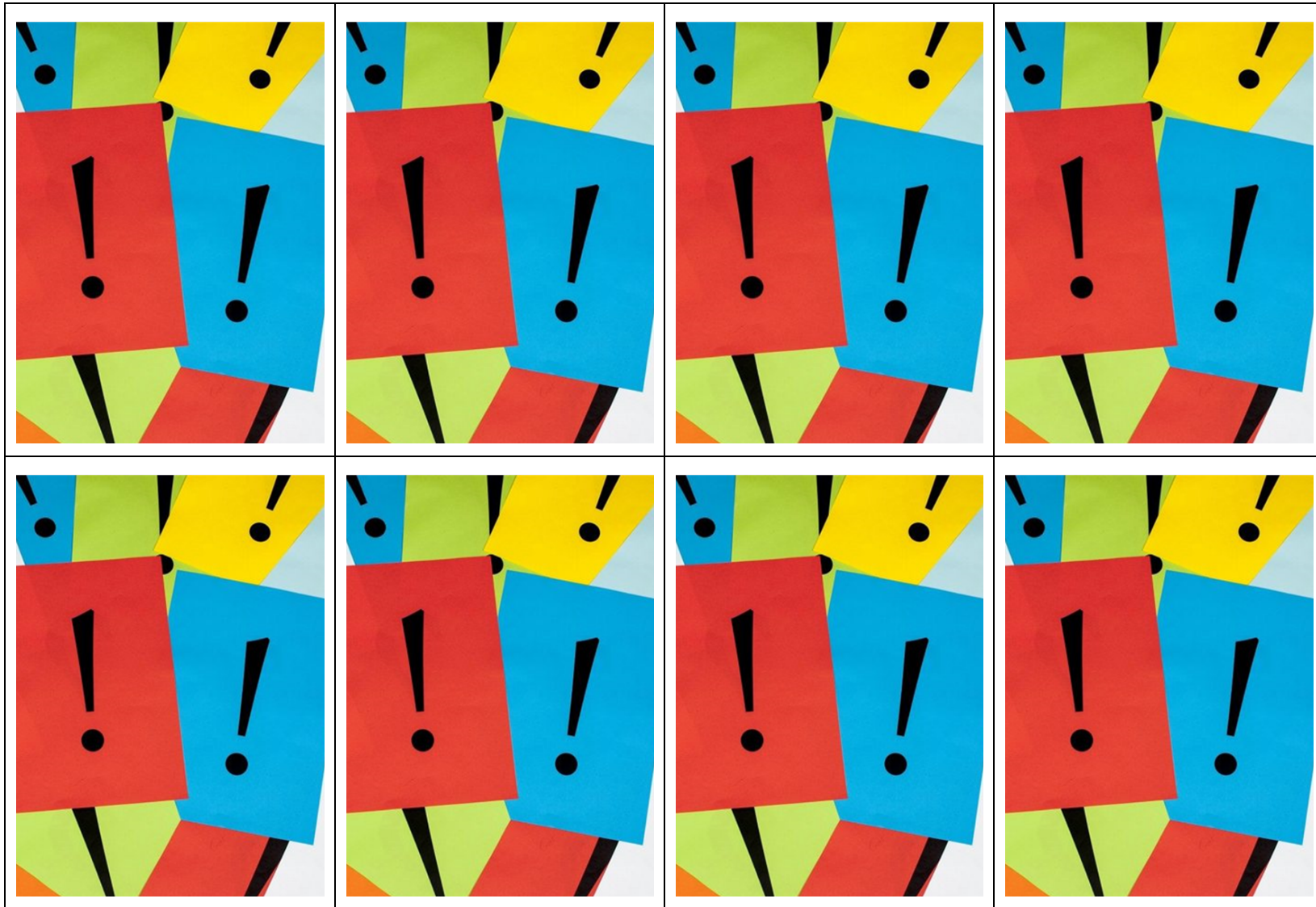
PRESENTATION

to help the "Master" lead the game

It's a good idea for the trainer to explain the cooperative governance, during the game, using the presentation you can find at COPE.one/learning materials

Even better if the trainer lead the discussion asking to the participants:

- ***How can we do this?***
- ***Who can help us?***
- ***Which path to choose?***
- ***Why?***

TIPS: If the answer came from the participant you are doing a great job!!!

But don't lose heart... the road doesn't always go where we planned, you have to improvise!