

ITEKE Waste Recycling Co-operative

Concept Document

1. Background

ITEKE is a community based waste collection project, in Ivory Park, Midrand. It was established in 1995 and mainly collected tin cans. It was made up of ten members, with an even balance of men and women. By 1999 ITEKE has grown to about 16 members, 8 of whom are executive members. It has expanded its activities into collecting plastics, cardboard and paper.

ITEKE has its own operational site with an office and a shed. Donor support has been forthcoming from the United Nations, the Eco-city Project, Mondi and other NGOs. However, at this moment funding sources are drying up and the organisation has been given a final helping hand by the Eco-city project to turn its operations around. Funding has been provided for a six month period for a full time manager.

It is in this context that COPAC has been brought in to assist ITEKE decide on conversion to a co-operative. At the first workshop held on the 26th and 27th September, about 14 members attended and it was unanimously agreed to adopt the co-operative option. It was felt ITEKE already operated as an informal co-operative working with co-operative values like tolerance, solidarity, community involvement and co-operation. Hence, the co-operative conversion was merely about consolidating, into a more formal framework, what already exists.

2. Objectives

The following objectives were identified for the ITEKE Waste Recycling Co-operative :

- Eradicate poverty in the community;
- Provide subsistence employment for members;
- Build unity amongst members;
- Build capacity for self reliance and self management;
- Expand the co-operative movement in the community by working with other co-operatives and doing education work;
- Provide marketing, transport, organisational infrastructure and processing facilities;

3. Vision

ITEKE's vision is to grow beyond being a community based project to become a fully fledged and formal co-operative. It wants to diversify its operations beyond waste collection and packaging but would also like to engage in processing activity and actually produce waste products like toilet paper, paper and so on.

It once to build up its support infrastructure like transport and build the necessary processing facilities on its site. It hopes to become national in operation if it is able to secure solid partnerships with some of the larger companies like Mondi or Coca-cola or even SA Breweries.

ITEKE once to be 100% owned and controlled by its worker owners. Decisions must be made democratically and must involve both women and men. In the end it hopes to be economically self reliant and self managed, in the sense that its board makes the necessary policy, strategic and operational decisions after input from a manager/s and its worker owner base.

4. Values and Principles

The co-operative will work with the values **and** principles adopted by the International Co-operative Alliance. These values and principles would be adapted to suit the needs and aspirations of the ITEKE Waste Recycling co-operative.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

Principles

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

1st PRINCIPLE: VOLUNTARY AND OPEN MEMBERSHIP

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

2nd PRINCIPLE: DEMOCRATIC MEMBER CONTROL

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

3rd PRINCIPLE MEMBER ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes:

developing the co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th PRINCIPLE: AUTONOMY AND INDEPENDENCE

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

5th PRINCIPLE: EDUCATION, TRAINING AND INFORMATION

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

6th PRINCIPLE: CO-OPERATION AMONG CO-OPERATIVES

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

7th PRINCIPLE: CONCERN FOR COMMUNITY

While focusing on member needs, co-operatives work for the sustainable development of their communities through policies accepted by their members.

5. Economic Activity

The root economic activity of ITEKE is the collection of cans, aluminium pieces, plastic, bottles, glass bottles and paper, from surrounding communities and industry. Hereafter sorting takes place: paper and plastic according to texture and bottles according to colour.

After this baling takes place and bundles are sold to recycling centres. For instance, paper is sold to Mondi, glass to Consul, aluminium to Scrap Metals and plastic to Polyfill.

There is no real processing or actual recycle treatment that takes place at ITEKE itself.

6. Membership

6.1 Advantages / benefits to Members

The prospective co-operators identified the following advantages or benefits that can be derived through the co-operative :

- Equal share ownership as worker owners;
- Skills acquisition both to manage the co-operative and in collection, recycling and production;
- Surpluses which would be shared with members through higher wages;
- All worker owners will be entitled to contribute to decisionmaking in the co-operative;

- All worker owners can stand for election to the board;
- All worker owners could earn a 'wage'.

6.2 Membership and Responsibilities

There will be one type of membership in the co-operative:

- Worker owners - these are workers in the co-operative, excluding management, and they would become members and have representation on the board;

Members have the following responsibilities:

- Work hard;
- Work together with other worker owners;
- Learn new skills;
- Accept the democratic decisions of the co-operative;;
- Participate in the decision-making activities of the co-operative;
- Ensure membership and annual subscription fees are paid by projects and by worker members;
- Involve themselves in the economic activity of the co-operative.

7. Decision-making

The Board shall be constituted democratically and shall be composed of 8 co-operators elected from amongst the worker owners.

The Board ensures policy and strategy is developed and is implemented by the manager/s. Managers, if employed, will not have a vote. Sub-committees shall be established by the board, dealing with the three areas of economic activity. These committees will take forward resolutions and decisions made by the general membership and shall formulate proper policy to give effect to these member based decisions. Worker owners would also participate in these sub-committees.

General membership meetings are the most powerful forums of the cooperative. All members shall have access and shall vote in these meetings. These meetings will basically determine the policy and direction of the cooperative.

8. Co-operative Ownership

On the payment of the membership fee of R30, every member shall obtain a share and a share certificate.

The share shall not appreciate in value.

External financiers shall not be allowed to acquire membership, shares and ultimately decision-making power in the cooperative.

9. Non-members

The co-operative will sell its output to non-members.

10. Surplus

Profit maximisation is not the objective of the co-operative. To ensure it meets its operating and capital requirements it would have to build in and plan to make a surplus. If a substantial surplus is made it would be shared three ways in the co-operative:

- The bulk of the money, about 60% will be reinvested and will provide an internal capital pool for the cooperative. This would enable the cooperative to buy all the necessary capital equipment it requires or provide for annual wage increases and so on;
- Another percentage, about 20% will go into an education and training fund;
- 20% will be placed in a community development fund.

11. Relationship to Community and other Co-operatives

The cooperative will work with the community to build awareness about waste recycling and a green environment.

Co-operation relationships shall be fostered with co-operatives in Midrand and in other parts of the country.