

ITEKE Waste Recycling Co-operative

Worker Owner Guide

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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 was provided for a six month period for a full time manager.

It was in this context that COPAC was brought in and assisted ITEKE to convert to a co-operative. Many reasons existed for the conversion of ITEKE to a co-operative but the most important was that it was already operating 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.

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;

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.

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.

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 recycling treatment that takes place at ITEKE itself.

Besides the waste collection project, the co-operative has recently established a paper recycling project. This project processes waste paper such that it is recycled and used for value adding. In this regard many products are being produced like envelopes, writing paper, photo frame, carry bags and so on. This project is housed in a building on the co-operative premises. Currently there is an attempt to integrate this project into the decision-making system of the co-operative, at various levels – board, management and project level.

Membership

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'.

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.

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.

In addition, projects of the co-operative like waste collection and paper making would also have their own committees. These committees would ensure representation on management structures, board sub-committees and the board itself.

Professional managers and supervisors would work alongside the board with the other structures of the co-operative and ensure that technical advice is supplied at these various levels. In short managers and supervisors would be crucial to ensure that informed decisions are made in the co-operative about the problems, issues and challenges it might be faced with.

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.

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.

Non-members

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

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.

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.

Policy 1 – Education and Training

1.1 The objective of this policy is to ensure that the necessary vocational skills are developed amongst worker owners and education about the co-operative is done for all worker owners;

1.2 The education and training officer of the co-operative would have to ensure the following is in place for effective education and training in the co-operative:

- Regular induction workshops using the worker owner guide to be conducted for new members;
- Advanced training workshops for worker owners would also be devised and financed through the internal capital pool built up through reserves;
- Regular assessments of training needs to be done in the co-operative and relevant training programs devised;
- Links to be formed with libraries in the community to assist with information for training programs;
- Adult literacy and study circles to be formed in the various projects;
- A “training bank” of in-house mentors to be established, in each co-op project, to mentor new members;

1.3 All vocational training must be accredited through the department of labour including the “skills bank” or in-house mentoring program;

Policy 2 – Wages and Working Time

- 2.1 The objective of this policy is to ensure that every worker owner receives a fair wage;
- 2.2 Every project would develop its own wage level but would pay the same wage to every worker in a project. Men and women would get paid the same within a project;
- 2.3 All wages within each of the projects would have to be approved by the board;
- 2.4 Wages agreed to by the board of the co-operative would have to be feasible and where necessary would be lowered to ensure the survival of the co-operative and the project;
- 2.5 Any worker owner refusing to accept a feasible wage would be expelled from the co-operative;
- 2.6 In each of the projects worker owners must be multi-skilled. Only designated members of the board can be drivers for the co-operative and in accordance with the transport policy.
- 2.7 Every worker owner would work an 8 hour day. However, where it is necessary every worker owner would have to work overtime, within a project, without compensation;
- 2.8 Work schedules would be finalised by the board and every worker owner has to abide by this. Failure to do so would result in disciplinary action against the wrongdoer;
- 2.9 Contracts would be drawn up for employees of the co-operative including manager/s and supervisors by the board of the co-operative setting out working conditions, including wages and working time. The terms of these conditions would be different and most likely better than the wages of worker owners given the expertise that these employees bring into the co-operative;

Policy 3 – Transport

3.1 The objectives of the transport policy are twofold:

- prevent abuse of vehicles owned by the co-operative;
- ensure proper controls are in place for the use of the co-operative's vehicles;

3.2 The use of co-operative vehicles would have to be done in accordance with the following:

- transport timetable or schedule drawn up by the board;
- A log book would be maintained for each vehicle and would have to be signed on leaving the premises and on return of the vehicle to ensure proper recording of fuel consumption, mileage and purpose of use. The board would appoint a person to manage the log book;
- only driver's approved by the board and with a valid drivers license may drive a co-operative vehicle;
- non-members are not allowed to use any of the co-operatives vehicles;
- the co-operative's vehicles cannot be used for private use;

3.3 Any violations of the following policy would result in immediate expulsion from the co-operative;

3.4 All co-operative vehicles are to be insured and maintained by the co-operative;

3.5 Any loss or damage to the co-operative's vehicles suffered through breach of provision 2.2 would have to be the responsibility of the individual or party using the vehicle at the time of the loss or damage;

3.6 An unauthorized driver of the co-operative's vehicles would be subject to a disciplinary procedure for gross misconduct (See policy on Discipline);

Policy 4 – Co-operative Projects

4.1 The object of this policy is to ensure that the co-operative can fit the various types of economic activity into the co-operative;

4.2 The rules and procedures for a project are as follows:

- all worker owners in a project shall be members of the co-operative i.e belong to one co-operative;
- all projects shall ensure their members are multi-skilled and are paid the same wage within a project;
- All projects to have a project management committee of not more than three people;
- The project management committee would work closely with the co-operative manager to ensure decisions of the board are implemented;
- Where necessary representatives of project management committees would participate in the sub-committees of the board;
- The project management committee shall provide regular reportbacks to worker owners involved in the project;
- The co-operative may employ professionals like supervisors to work with various projects. These professionals would have contracts setting out their terms and conditions of employment and they shall work under instruction from the co-operative manager. These professionals shall not have the right to vote;
- Projects to develop their own cost centers and book-keeping and to contribute surplus to the general pool of the co-operative;

4.3 All policies of the co-operative shall apply to the projects of the co-operative;

4.4 The co-operative may set up numerous projects to manage its economic activity.

Policy 5 – Discipline

5.1 The purpose of this policy is to ensure discipline amongst worker owners in the co-operative;

5.2 This policy derives from the provisions in the statute which empowers the board to suspend or expel a member who does not abide by provisions in the statute or decisions made by the co-operative;

5.3 In accordance with standards of fairness the co-operative manager would be empowered to issue a maximum of three warnings for transgressions of co-operative policy or decisions made in accordance with the statute or the Act;

5.4 A first disciplinary hearing would be held by a duly elected project disciplinary committee within 10 days after the worker owner breaches the co-operatives policy and decisions for the fourth time and would be handed a charge sheet stating the offence, the date and place of the hearing. The charged worker owner would not be entitled to legal representation but would be given a chance to be heard in the disciplinary hearing and can bring witnesses to the hearing. Within 7 working days of the decision of the project disciplinary committee the charged worker owner has a right of appeal to the board of the co-operative. Such an appeal must be lodged on the appropriate form, within the time specified. The board may by resolution uphold the decision of the project disciplinary committee. If it is an expulsion then a special resolution of more than two thirds of board members present at the meeting would be required to uphold the expulsion. After the decision is made the board has to supply the worker owner with a notification about its decision setting out the date, reasons and disciplinary measures of the action. In the case of suspensions the board may revoke the right of the worker owner to attend general meetings and/or no pay during the duration of the suspension. In the case of the expulsions the worker owner forfeits all membership fees and subscriptions which shall be credited to the general reserve of the co-operative;

5.5 The following forms of gross misconduct will not require a project disciplinary hearing but mere notification from the co-operative manager, setting out the facts, and would warrant immediate suspension or expulsion by the board within 7 days. Such gross misconduct includes:

- Drinking at work or coming drunk to work;
- Failure to accept decisions regarding wages;
- Failure to abide by decisions regarding overtime;
- Failure to meet work targets and non -conforming to work schedules set by the project;
- Use of drugs at work or coming to work drugged;
- Unlawful use of co-operative property;
- Assault of other worker owners;

- Theft of property of the co-operative;
- Sexual harassment of a female worker owner;
- Deliberate damage of co-operative property;
- Absent without permission;
- Delinquent and disruptive behavior that prevents the operations and decision-making of the co-operative;

5.6 On receiving notification from the co-op manager for gross misconduct the board shall send a charge to the relevant worker owner within 3 days. This charge shall detail the nature of the offense and shall afford the charged worker owner a chance to respond in writing or physically appear to respond to the charges at a certain date and time specified on the charge sheet, not later than 4 days after receipt;

5.7 In the case of suspensions, for gross misconduct, the board may revoke the right of the worker owner to attend general meetings and/or no pay during the duration of the suspension. In the case of the expulsions the worker owner forfeits all membership fees and subscriptions which shall be credited to the general reserve of the co-operative;

