

KAABAY ENTRE-WORKER COOPERATIVE



MS. CIELO A. BUENO
FOUNDING CHAIRMAN

BACKGROUND

Kaakbay Entre-Worker Cooperative comes from 3 words, Entrepreneurs, workers and cooperative, which perfectly describes its essence. Members of this cooperative are both entrepreneurs and workers.

As entrepreneurs, members provide the capital and take the business risks and rewards. As workers, they provide the needed labor (intellectual and manual) to carry out and accomplish the required task and activities of the business enterprise. Together they create social wealth in solidarity and complementary relationships with the other coop members.

Basic nature of worker cooperative, following the 7 ICA principles

1. Member/owner receives compensation in 3 ways
 1. a.) receives annual interest on share capital he contributed, which yearly being determined by the general assembly (ownership/equity right)
 1. b.) shares the surplus or losses generated from its business operation, determined by kind of work they provide the cooperative. (worker/owner right)
 1. c.) receives financial advances regularly for the member's subsistence (similar to wages and salaries) based on his position and work contribution for the business enterprise.
2. Each member has equal right, one member one vote, (regardless of his share contribution/capital), to participate in the decision making process, election of governing bodies and committees (member/worker rights)
3. Member worker has equity right as long as he/she remains in the cooperative. Member/worker takes his share capital, its interest upon resignation/ termination of membership.

Kaakbay Entre-Worker Cooperative was initially registered as Kaakbay Producers Cooperative, June 2 , 1998 as suggested by Ms. Nannie Familiar CDA specialist assigned to us with an occupational common bond of interest, manufacturing filling system products.

Year 1999, I enrolled at **University of Asia and Pacific's Advanced Cooperative Management Course** under **Prof. Bien Nito**, and I was introduced to the late **Mr. Bernie Cataluna**, the advocate of worker cooperative in the Philippines and working with **Mr. Howard Q. Dee – President of Assisi Development Foundation**. I learned from him the success of **Mondragon Corporacion Cooperativa** which was founded 1952 by a Catholic Priest **Father Jose Maria Arizmendiarieta** based in Basque Country in Northern Spain. Thus, Kaakbay Entre-Worker Cooperative was born. We had our cooperative name amended, to adopt the principles and objectives of Mondragon of Spain. I had a write up of Kaakbay EWC in Mondragon University, as Asia's contribution to its database of workers cooperative.

In our initial years, May 16-18, 2001 was the time when Kaakbay EWC was invited by Ms. Tere De Leon for the **ILO Regional Conference on Employment Creation through Cooperatives and Small Enterprises in Bangkok, Thailand**. Kaakbay EWC was one of the case studies presented from Asia. **Cooperative Development Authority** was represented by **Mr. Soc Del Rosario** – Administrator. ILO recognized the promotion of worker cooperative as alternative for Trade Unions to acquire, own and manage an enterprise in case of closure, downsizing and retrenchment, due to the advent of information technology and rise of knowledge economy. The shift from overly built large slow moving economic units to small widely dispersed economic units that are flexible and easy to adjust to rapid changes, is an opportunity for worker cooperatives.

The conference introduced me to CICOPA, through its resources speaker Mr. Bruno Roulants de ViVier. CICOPA or the International Organization of Industrial, Artisanal, and Service Producer's Cooperatives, is a specialized agency of the International Cooperative Alliance (ICA) dealing with cooperatives specifically established to create employment for its worker members. They visited Kaakbay EWC in its factory in Quezon City in 2002. They suggested we form a Worker's Federation to become a member of CICOPA and can be directly assisted.



PROFILE

KAAKBAY
ENTRE-WORKER
COOPERATIVE

BRIEF HISTORY

Kaakbay EWC is a primary cooperative that provides solution for your filing systems need. It was organized in May 1998 by 16 founding cooperator-members who separated from a private corporation producing the same product. It was registered with the Cooperative Development Authority (CDA) on June 2, 1998

HOW WE STARTED

Office facilities were borrowed or donated by friends and relatives. Except for the semi-automatic cutter which was acquired thru a loan extended by San Dionisio Credit Cooperative. We started our operations in a small rented office space about 50 square meters in Quezon City.

1. Job Creation



2. Permanent Employment



3. Economic Sustainability



4. Total Human Development



5. Social Development



We are committed:

- To be the leading provider of efficient, customized, filing system products that are responsive to the needs of our clients, not only in Metro Manila and suburbs but to all other cities and provinces in the Philippines as well.
- To maintain fruitful partnership with our clients and supplier even as we concern ourselves with the needs, aspiration and well being of our members.
- To be a responsible organization in the cooperative movement abidingly and helping to propagate the cooperative culture and values, and contributing to the growth of our economy by continually generating new jobs.

As pioneering Entre-Worker Cooperative, to be the trailblazer in modeling the full potential of worker cooperatives and helping in accelerating their multiplication in the Philippines as our contribution to the cooperative movement.

EWC DEFINITION

Entre-Worker Cooperative (EWC) is an autonomous association of persons who voluntarily pool their resources and work skills in order to own and operate a stable enterprise which will enable them to provide for themselves benefits from secure employment, generate new jobs and, together with their families, become lifelong partners in fostering their human, economic and social development.

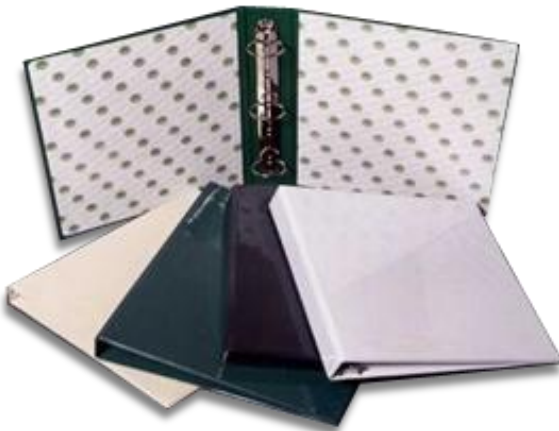
REGULAR PRODUCTS



Lever Arch Binder



Flexi Filer



3 Ring Binder



Transifile

Worker members are owners with a subscribe capital of P25,000.00 payable in three to five years deducted from payroll. With SSS, Pag-Ibig, Philhealth, 13th month and yearly outing as benefits. Member workers have dual responsibilities being an owner and worker of their social enterprise.

REGULAR PRODUCTS

Custom Made Products



Custom Made Boxes



PRODUCTION FLOW



Regular products are for filing and records keeping. Easy retrieval and orderly. Binders are for active file while boxes are for pre-filing. Packaging boxes are the emerging custom made products for food, jewelries, figurines, candles and others. Custom made binders with print and other filing tools are regularly ordered.



OUR MAJOR CLIENTS COME FROM PHILIPPINES' TOP 1000

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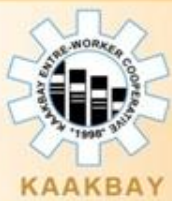


Cultural Center of the Philippines



THE PENINSULA
MANILA





Clients are mostly corporate, few are medium and small enterprises. Government agencies and government owned corporations like LBP, DBP, GSIS, and DBM Procurement Service Non government organizations are Novadeci, FSSI, Gift and Graces, FPE, FPSDC, and Paz Y Desarrollo Foundation

1. Federation of Peoples Sustainable Development Cooperative
2. Foundation for a Sustainable Society Inc.
3. Gift and Graces Fair Trade Foundation Inc.
4. Association of Foundations
5. Quezon City Cooperative Development Council
6. DOLE (Department Of Labor and Employment)
7. DOST (Department of Science and Technology)
8. PBSP (Philippine Business and Social Progress)
9. Bid Network Challenge Netherlands
10. CICOPA – The Hague, The Netherlands

SOCIAL INVESTMENT RATE OF INTEREST PER ANNUM

AMOUNT	INTEREST RATES (Net of Tax)	No. of Years
1. P25,000 and below	4%	1-3 years
2. P25,001 - P200,000.00	6%	1-3 years
3. P200,001-P499,999.00	7%	1-3 years
4. P500,000 up	Negotiable	1-3 years

If Investment is terminated before the term ends, only the principal amount will be returned.

ADVANTAGES OF INVESTMENT

1. Higher rate of interest against bank rates
2. No 20% Final tax
3. Helping the Workers Cooperative while earning high interest

Funding comes from the ff:

1. Equity from regular members
2. Investment from associates
3. Loans, short and long term
4. Grants and donations
5. Revenues

Business Opportunities:

DBM Procurement Service –quarterly bidding of Filing systems products worth P10-15M , example 135,000 magazine box delivery 6 months will Require 150-200 persons in the production. These can be distributed to community based Cooperative and NGO. The bulk can be produced By PWD based in Novaliches c/o Mr. Richard.

CHALLENGES OF WORKER COOPERATIVES:

1. Insufficient fund for its operation and business expansion, due to its inherent flaw that workers/labor has a very limited funds. First suggestions is that there should be a balanced share contribution of worker/labor and worker/intellectuals/managers to properly fund business operations. Second suggestion, invite individual worker advocates for social investments. Third, outside intervention similar to Mondragon's Caja Laboral Popular (Worker's Bank) strategy. Fourth , joint ventures or partnership with other similar cooperatives
2. Lack of excellent management/worker team performing shared leadership
3. Continuous education for worker members, understanding the owner member mindset
4. Global competitiveness, market orientation
5. Establishment of government legislation, policy and legal framework for the promotion of worker cooperatives as a direct intervention for poverty alleviation and security of work
6. Understanding of worker cooperative concept by the government agencies supposed to be assisting in the promotion and encouraging its growth, like CDA, BIR, SSS, DOLE and local government.

THANK YOU!



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