

DOCUMENT

PROGRAMME OF RESEARCH AND ACTIONS ON THE DEVELOPMENT OF THE LABOUR MARKET

Local employment initiatives

**A manual on intermediary and support
organizations**

Main report



**COMMISSION
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PROGRAMME OF RESEARCH AND ACTIONS ON THE DEVELOPMENT OF THE LABOUR MARKET

**LOCAL EMPLOYMENT INITIATIVES :
A MANUAL
ON INTERMEDIARY AND SUPPORT ORGANISATIONS**

Main Report

By

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Project Manager : Peter Kuenstler

Document

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1. INTRODUCTION AND TERMS OF REFERENCE

- 1.1 Following previous research by the Commission of the European Communities (1), and a programme of local consultations held in member states in 1982/83 to gather information about the development of local employment initiatives (LEIs) (2), the Commission asked the Centre for Employment Initiatives to undertake further research on the question of the support needs of LEIs. The intention of this research was to produce a manual containing an objective and succinct description of different models of intermediary and support bodies. It would include suggestions on how such models could be adapted to serve as a basis for establishing information, support and advocacy systems in countries where they do not yet effectively exist but where:
- there is increasing activity aimed at the creation of local employment initiatives and;
 - there is a desire to assist such initiatives by a process of "animation", information, technical assistance, advice and training.
- 1.2 The Commission requested that the manual should also include sections reviewing the history and main characteristics of support and intermediary bodies such as Boutiques de Gestion, local enterprise trusts and boards, resource centres, cooperative development agencies, innovation centres etc.
- 1.3 This report represents the outcome of the research. It starts (Section 2) by identifying the main characteristics of intermediary bodies in support of LEIs, as described in the Commission's communication entitled "The Contribution of Local Employment Initiatives", (COM(83) 662) and the Resolution of the Council of Ministers (SOC 157).
- 1.4 Section 3 then delineates five stages in the development of LEIs, for each of which a supporting body may be called on to provide a specific kind of information and/or assistance. In Section 4 the process of setting up an intermediary and support structure is described.

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- (1) Commission Programme of Research and Actions on the Labour Market: Studies nos. 81/38, 81/39, 82/3, 83/2.
- (2) Local Employment Initiatives; Report on a series of local consultations held in European Countries 1982-83. Study no. 82/7

- 1.5 In Section 5 a number of examples are given of different types of support bodies. Since the effectiveness of any such structure will depend on the extent to which it is integrated with and can sensitively respond to its political, administrative, economic and social environment, the examples cited should not be taken as precise models to be followed in contexts other than those in which they have already proved themselves useful. The examples do however show the differing ways in which the basic functions, as described in the first parts of the study, can be discharged according to the different contextual situations in member countries.
- 1.6 Section 6 contains conclusions and suggestions for action.

2. THE CHARACTERISTICS OF LEIs

2.1 In its Communication to the Council of Ministers (COM(83) 662) of November 1983 the Commission indicated a basic rationale for the creation of local support structures for local employment initiatives (LEIs) and outlined the role of such structures. In particular, the Commission's Communication noted:

"LEIs are fragile types of SMEs which need not only encouragement but intensive practical advice and support from outside in order to be set up and in order to develop into viable enterprises . . . Such hand-holding is not expensive, but it is time and labour intensive. Because of this, the existence of appropriate development agencies able to perform this role has proved crucial to the development of LEIs". (para 42).

2.2 The Communication continued:

"Agencies which service LEIs work very closely with their clients, to provide a full range of services and to give their attention particularly to those with little or no business experience". They "are generally locally-based and controlled, but often have national bodies covering their interests". (para 49).

". . . different support structures commonly exist because they operate at different levels in the 'market', with different client groups. Some agencies seek to identify high growth potential or high technology projects. Others deal with average, middle-of-the-road, small business in traditional sectors. The Boutiques de Gestion or the cooperative development agencies, on the other hand, work primarily with LEIs . . . " (para 50).

"The services offered . . . need to be comprehensive . . . In particular, they need to:

- provide pre start-up support involving finding market gaps suited to the skills of the people concerned, feasibility studies, advice on appropriate legal status, search for suitable premises, financial arrangements (including information on public aid schemes, tax regulations, etc . . .).

- provide on-going support, such as solving management problems, help in building competence in accounting, financial control, marketing etc. and in providing specialist advice, as well as providing general encouragement.
- provide training courses in both the pre start-up and the operational phase, as necessary, often tailor-made to the projects concerned". (para 51).

2.3 The main conclusions drawn by the Commission in the Communication were:

"The existence of development agents and agencies able to provide appropriate support and advice at all stages, particularly for people with little or no business experience, is crucial. Yet the availability of such agencies, which need to be situated locally on a permanent basis and which commonly require at least partial public funding varies greatly between regions and between Member States". (para 68).

2.4 The Communication recommended that regional and local authorities:

"should . . . take practical measures to develop the local support structure for LEI's, notably by:

- i) providing initial information and guidance on available support to individuals and "prime mover" groups wishing to develop local employment initiatives,
- ii) providing and/or channelling financial support towards the establishment of development agencies able to provide pre start-up and on-going support to those seeking to undertake LEIs and to facilitate access to various forms of financial, training and other assistance available;
- iii) converting vacant buildings into suitable premises for small enterprises and workshops . . . " (para 74).

2.5 The Council of Ministers, in its resolution (SOC 157) of 7 June 1984 expressed the view that local employment initiatives should be supported and stimulated by the member states' policies, accompanied by specific measures at Community level. In reviewing the

general characteristics of local employment initiatives the Council considered:

"that support provided at regional and local level, in particular to meet management and training needs, is especially important for the success of small, locally generated undertakings".
(para II.3)

2.6 In its call for action by member states the Council called for the adoption of policy guidelines, including one which would:

"taking account of the responsibilities of, and possibilities open to, local and regional authorities, encourage the development of local support structures for LEIs by means of practical measures such as:

- making available information and guidance on the existing potential for aid;
- developing services - where appropriate, by means of aid for the creation of development agencies - which are capable of providing support to those seeking to launch LEIs and of facilitating access to the various terms of aid available;
- making available suitable premises for small undertakings and workshops, for example by encouraging the conversion of vacant buildings;
- improving conditions and extending the possibilities for tendering for public contracts".
(para III.3).

3. THE NEEDS OF LEIS

3.1 The analysis and conclusions of the Commission make it clear that there are several different but overlapping functions for support structures for LEIs. They need to provide assistance in the appropriate forms at different stages in the development of the LEIs. These stages may be described as follows:

1. Pre-formation (animation)
2. Formation
3. Start-up and launch
4. Consolidation
5. Development and Expansion

3.2 One way in which these different stages can be found in actual field experience is illustrated by the diagram below, which represents the situation relating to youth and community projects as shown in a 1983 survey undertaken for the Youth Employment Agency in Ireland. (3)

3.3. Pre-formation

Some aspects of preliminary 'animation' work can be undertaken by bodies not specifically focused on employment creation, such as community development agencies, regional or rural development agencies, adult education bodies etc. In current conditions of high levels of unemployment it is virtually inevitable that the significance of employment creation will emerge early on in the process of general local surveys, fact-finding and ascertaining people's views and aspirations concerning the quality of their lives. The practical conclusion to be drawn is that support bodies established for the specific purpose of employment creation through local initiative should find out whether such preliminary work has been or is being done by other agencies, and where possible seek to utilise their findings and, if circumstances allow, enter into some active cooperation with such bodies.

3.4 Where 'animation' is undertaken, the recorded examples of different forms of community work, community development and other kinds of consciousness arousing, indicate that there is no single approach which will guarantee success. Thus, for example, the work of contacting local people and enabling them to identify and formulate their aspirations can be done either by an "outsider", someone who is professionally competent in the type of work, or by a local person, already

(3) Launching the Community and Youth Enterprise Programme Youth Employment Agency, Dublin, 1983.

STAGES IN THE PROCESS OF COMMUNITY ECONOMIC DEVELOPMENT

<u>STAGE AND CHARACTERISTICS</u>	Absence of Community organisation or self-help activity	Organisation dormant or limited to non economic projects	Organisation committed to self help and looking for opportunities	Organisation active and with some Interesting projects needing development	Project worked up to the stage of implementation.	Project running successfully. New Initiatives being considered
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NEEDS

Basic Community and Youth Development

Problem definition.
Identification of opportunities.
Broad appraisal work
Organisation - building.

Project appraisal.
preparation and implementation.

On-going management

Source: See note (3)

trusted and known in the area, whose technical skill or access to information can be increased, if necessary, by training.

3.5 While the establishment of an office or centre may well attract some would-be entrepreneurs or cooperators, 'out-reach' or 'extension' work is also required. Staff or representatives of the new intermediary body should be available to visit local associations, clubs and organisations of all kinds, including centres for the unemployed, to address meetings both formally and informally, to use the local media (press, radio and TV), and generally to spread the message and make known the availability of the services being offered.

3.6 Formation

Once it appears that one or more persons have conceived an intention to establish a local enterprise, the task of sifting out reality from fantasy, possibilities from wishful thinking and firm resolve from fleeting fancies has to begin. This can only effectively happen if a relationship of mutual confidence can be built up between the agency offering advice and the client(s). Options have to be identified in many different fields, and these are now discussed:

3.6.1 Market research and feasibility:

- A detailed identification of products and/or services in relation to their probable market-local, national, export;
- An assessment of competition already in the field or likely to appear;
- An analysis of the marketing methods required to penetrate the market.

3.6.2 Funding and finance:

- An identification of financial needs and resources - capital and revenue;
- Assistance in determining the best available options - short and long term.

3.6.3 Fiscal matters:

- The provision of information on liability for taxation: income, corporation, profits, VAT or other sales taxes;

3.6.4 Legal:

- Advice concerning the options available for the formation of an enterprise;
- An assessment of the advantages and disadvantages of particular types of legal/corporate constitutions eg Company limited by guarantee; ASBLI; cooperative society etc etc.
- Information about the procedures for establishing the most appropriate of the options available;
- Information on legal conditions governing working hours and conditions, use of premises etc;

3.6.5 Premises:

- An analysis of what type and amount of premises are required for the proposed activity or activities;
- Information about the availability of suitable premises;
- Advice and information on the most suitable rental arrangements: level of rent affordable, terms of entry and relinquishment.

3.6.6. Personal counselling and advice:

- General discussion and information relating to clients' aspirations, capacities and resources, material and personal;
- Help with building up self-confidence and entrepreneurial attitudes;
- Help in human relationships and management issues.

3.7 Start up and launch

The areas of advice and support described above have to continue as the actual start-up of the new enterprise occurs. Firm choices and decisions have to be taken and the client(s) will need help in moving from a general consideration of each issue to the stage of taking action, assessing what the results of that action are, learning to live with those results and to take new decisions and actions when needed. Thus, discussion on market research and feasibility will

lead on to specific assistance in drawing up and implementing a marketing programme. Identification of financial needs and sources of finance will lead on to help in preparing presentations, proposals and requests for specific funding. Discussion of the kinds of premises needed and a review of what is available and on what terms will lead to assistance in completing rental agreements. Consideration of tax liability will lead to advice on methods of dealing with taxation issues and to assistance in setting up the actual procedures to do so.

Specific topics on which practical advice and assistance will be required at this stage are now discussed.

3.7.1 Accountancy, book-keeping, office management:

- Identification of the most appropriate methods needed by the enterprise;
- Assistance in setting up and running such systems;
- Introductions to outside accountants, auditors etc.

3.7.2 Social security:

- Information on liability for social security contributions for self-employment, the employment of wage earners (full-time and part-time) and volunteers;
- Aid in setting up suitable procedures for fulfilling these requirements.

3.8 Consolidation, development and expansion

As an enterprise develops it will require continuous assessment and re-evaluation, leading to the working out of new business plans. This will entail analysis of trading results and making forecasts for the future: there will be a need for careful attention to cash flows and relationships with banks and other financial institutions. The expansion of numbers of personnel employed may create new problems of management, of communication and of the delegation of responsibility. Failure to achieve the sales quotas established may produce financial crises and the need for new funding proposals. Throughout this process two overall services are of major importance: training and resources. The support agency may provide them directly or act as a broker.

3.8.1 Training:

- The provision (directly or indirectly) of short and long courses adapted to the needs of individuals or small groups, in terms of their content, location, timing and the learning methods utilised.

3.8.2 Resources (other than finance):

- Specialist consultants;
- Secondments from public or private sectors;
- Office equipment;
- Machinery and production equipment and tools;
- Research and technical know-how;
- Clerical and other support services.

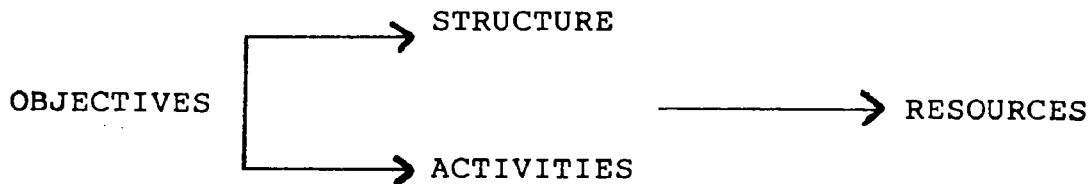
4. SETTING UP AN INTERMEDIARY BODY

4.1 Objectives:

- 4.1.1 The objective of an intermediary structure is to support and stimulate the creation of LEIs. However, choices have to be made as to whether any one such structure should seek to help all types of LEIs, or whether it should concentrate on one or a limited range of types. Thus, some support bodies exist primarily or solely for the support of cooperative societies, others primarily or solely for the support of enterprises run as private individual or family ventures. Clearly, if the objective is to support all forms of LEIs then care must be taken to ensure that staff conversant with them are available to provide information and advice and that these different approaches are adequately represented on the governing body of the support agency.
- 4.1.2 A second choice concerns whether the agency will provide a limited range of services or seek to provide all the support services which LEIs may need. Thus, for example, some support structures may provide only information and advice and are not able to give material support either in the form of funding, or technical assistance. Others may provide a more comprehensive set of services. The previous sections of this study have described the wide range of needs and activities on which LEIs may seek information and assistance. In the light of local circumstances and the actual expected nature of the demand for services, each intermediary body will choose whether to offer the whole range of services or to make an appropriate selection. The criteria for making this selection may well be pragmatic, taking account of what human and other resources are readily available; of the extent to which some of the services are already available within the locality or near to it, and of whether they could be better provided as an extension of services offered already by existing institutions rather than by a new support body. For example there may be an existing centre for the provision of general legal information and advice which could be encouraged to extend its activities into areas of the law relating to local enterprise creation.

4.2 Structure and legal format:

- 4.2.1 The objectives chosen will to a major extent determine the structure to be adopted for the intermediary body, as well as the specific programme of action it will offer and the resources it will require.



4.2.2. To some extent the questions which have to be answered in the process of setting up an intermediary structure for the support of LEIs are similar to the questions which have to be answered in the process of establishing individual LEIs. However since the objective is already partly or wholly agreed, the choice of suitable legal and formal structures is somewhat more limited. Naturally, the precise legal format will depend on the various legislative and fiscal regulations obtaining in each country. It should be borne in mind that in the light of the present rapid increase in local employment initiatives, changes are being introduced in favour of intermediary bodies, for example by making it possible for financial contributions to such bodies from private or corporation tax payers to be eligible for tax relief. Care needs to be taken, therefore, to see that the constitution or statutes of any intermediary body conform to what is needed in order to qualify for such assistance.

4.3 Links with the local community:

4.3.1 Closely related to the question of structure and legal format is that of the relationship between a support body and its local community, and the various sectors of interest which exist within the community. Both for the actual process of getting it started but also for its continuing and effective functioning, a support structure needs to be rooted in the local environment from which it will derive support, stability and resources. The precise objectives of the body will determine some, if not all of the local institutions and persons whose cooperation will be required in one capacity or another. They will also determine the precise form of the involvement: in some cases this may be formal - through representation as members of the body's board or management committee - while in others the representation may be more informal, through involvement on advisory committees, working parties, etc.

4.3.2 The principal institutions and persons who may be involved in the support body are:

- Political representatives: parliamentarians, including European parliamentarians, and elected members of national, regional, provincial, municipal, district and other local political bodies;

- private employers' organisations and federations: including chambers of commerce, trade, crafts, handicrafts etc;
- workers' organisations: trade unions, trade councils and similar bodies;
- central government departments and institutions, especially those with regional or local (decentralised) offices: including those responsible for employment, training, industry, trade and commerce, planning and land use, agriculture, environment, education, local government, taxation, finance, governmental or parastatal development agencies and boards;
- regional and local government officials, from the same sectors as listed above for central government;
- banks and financial institutions;
- major corporations and other private sector employers in the area;
- major landowners in the area and/or representatives of small-scale farmers;
- vocational and professional training bodies and bodies testing and awarding professional and vocational qualifications;
- social security agencies;
- welfare services, both public and non-governmental;
- the media, including press, TV and radio;
- community, womens' and youth organisations;
- universities, polytechnics, technological and other research and teaching bodies, including schools of business management;
- centres for, and other groupings of, the unemployed;
- church organisations concerned with social responsibility and community action;
- local associations of residents and tenants, and other similar community based bodies;
- the local employment initiatives themselves.

4.3.3 As noted at para 4.3.1, local circumstances - political, economic, and social - as well as the objectives and structure of the organisation will influence the roles which representatives of any or all of these groups should be called upon to play, whether as board members, sponsors, executive committee members, advisers, consultants or observers and correspondents.

4.4 Responding to enquiries:

4.4.1 Circumstances will dictate the precise nature of the response made by an advisory and support organisation to a specific enquiry. However the following elements are likely to be included:

- i) Firstly, there will be a need for a study of the general and economic environment of the area from which the enquiry comes or in which it is proposed to produce goods or supply services. This study will focus on resources which are available and relevant to the proposed enterprise, including premises, manpower with appropriate qualifications, raw materials, transport and communications, and distribution networks, where relevant. It would also cover the past and present state of the market and competition in the particular production or trade proposed, as well as any indications of future developments. Over a period of time a support agency will be able to accumulate this kind of information so that each enquiry will not entail the need to start a completely new study. However it will be essential that this information is continually updated.
- ii) The next stage will be to identify the strategic choices which appear open to the enquirer. These may include determining the specific product or service, determining options about location, timing, size of enterprise.
- iii) Linked to each option will be the requirement for specific means or materials necessary for putting each possible strategy into practice. These in turn will be identified as well as the source from which they may be obtained.
- iv) At the same time, in the light of the information being put together, it will be necessary to identify the options as to the legal format and type of organisation open to the enterprise and to indicate the most suitable choice from among them, listing the respective advantages and disadvantages.
- v) In addition and again based on the foregoing research, a financial plan will be prepared showing requirements as well as possible sources of obtaining the necessary funds.

4.4.2 The above represent stages in the content of the advice and information to be provided to an enquirer. The processes can also be listed in terms of the relationship with the enquirer or client. The services which are most

in demand are:

Reception	Accueil
Advice	Conseil
Support services and joint sponsorship	Accompagnement et co-pilotage
Follow-up	Suivi
Research	Recherche
Provision or channelling of resources	Ressources
Training	Formation

As a background to all these processes there will be a need for the provision of information and documentation.

4.5 Types of premises and style of reception

- 4.5.1 The premises of the intermediary body will need to have a level of decor, furnishing and general appearance which is both friendly and welcoming and at the same time business-like. Evidence of a lack of orderly office management procedures and a failure to find needed references or pieces of information are unlikely to inspire confidence in a would-be entrepreneur. On the other hand lavish and seemingly expensive office equipment, furniture and carpets of a type more often associated with large conglomerate corporations may well frighten away those who are contemplating entry into the business world for the first time.
- 4.5.2 Equally the nature of the personal reception of new clients by the staff of the intermediary structure needs to maintain some kind of balance between the brisk efficiency of the bureaucrat and the unassertive friendliness of the social worker. Clients will need to feel that they are being treated as individuals, and given personalised treatment, on the basis of extensive experience and a comprehensive understanding of their background and circumstances.
- 4.5.3 The services offered will need to be available at times when the potential and actual clients find it possible and convenient to come. Since some at least will be

seeking to set up new initiatives while retaining their present employment, this will mean that they will be able to come only outside 'normal' working hours. At the same time, however, many of the referrals and enquiries which will have to be made on their behalf, will involve other agencies and persons who work normal hours. The staff of the intermediary body will therefore have to plan working timetables which inevitably will cover long hours per day and days per week.

4.5.4 A number of support agencies depend on a substantial proportion of part-time workers and in many cases there are also consultants, paid or volunteers, working individually or in panels who provide advice and assistance, possibly in their own premises and elsewhere outside the intermediary body's office.

4.5.5 Whether full or part-time, support agencies need well-qualified and professionally experienced staff, among whom there should be those who have themselves had direct entrepreneurial experience, preferably of a successful nature.

4.6 Location

4.6.1 The precise location of the office or offices of an intermediary body will depend on the prior determination of the area to be covered by its activities, as well as finding a location which is accessible in terms of its geographical site, the availability of transport and of parking facilities.

4.6.2 In the first instance (and possibly as a long term solution) premises may be made available by an existing public or private institution as their way of contributing resources to the body. While this kind of offer is clearly welcome in most circumstances, care should be taken to ensure that the separate identity and independence of the intermediary body is not compromised or obscured through it being seen as part of, and dependent upon, the host institution. There may be, however, instances where this kind of merging of identities should not give cause for concern: indeed it may be advantageous in some circumstances, such as where a cooperative development agency is provided with premises by an existing cooperative institution. Misunderstanding is more likely to occur where the objectives of the intermediary body are comprehensive and not confined to providing information and support for enterprises of one particular complexion. In this case, it might be unfortunate if such a body came to be mistakenly identified with any particular existing approach or agency - whether public, private, individual or cooperative - because of the location of its office.

4.7. Establishing a support structure

4.7.1 The process which triggers off the establishment of a support structure for local employment initiatives may take various forms. These include:

- discussion within an existing political or cultural or socio-economic forum such as the local municipal council, or the local chamber of commerce;
- the energetic initiative of an individual locally prominent in political or economic activities;
- informal conversations between concerned persons, such as members of rotary clubs, welfare organisations, advisory bodies concerned with unemployment or local development, youth organisations etc.

4.7.2 Whatever the starting point there will follow a series of informal consultations and discussions leading towards the creation of a provisional working group, steering committee or other form of exploratory group.

4.7.3 At an early stage the need may well arise for having available the services, full or part time, of a co-ordinator or researcher to undertake what is in effect a preliminary feasibility study. This will involve making contact with and eliciting responses and ideas from those listed at para 4.3.2. Such a person may be available:

- as a volunteer, (for example a retired business man or official);
- on secondment - that is, released on full salary by a public or private employer for a specified period of time to undertake the feasibility study;
- as an employee of the provisional working group or steering committee through funds contributed from among themselves or with the assistance of an outside body (foundation, trust, local authority). The Commission has recommended (COM (83) 662) that funds should be made available for this purpose.

4.7.4 At different stages in the preliminary and exploratory process one or more public meetings, well advertised in the media, may prove a useful means of involving more individuals and groups, of eliciting new ideas

for activities and of finding resources. Some intermediary bodies seek formal sponsorship from supporting bodies.

- 4.7.5 If the establishment of an intermediary structure is to be a cooperative public/private undertaking, then it may be necessary to undertake careful and detailed exploration of the ideological, legal and practical basis for the two interests to work together.

5. EXAMPLES OF SUPPORT BODIES

5.1 CASE STUDY: 1 - MUTUA AUTO-GESTIONE - ITALY

- 5.1.1 In the late 1970s the region of Verona experienced a wave of efforts by workers to take over failing businesses and a number of experiments in self-managed cooperatives were mounted. MAG started from one such effort, which arose in 1975, when a graphics firm in Verona was about to close. The workers decided to take it over, and over the next few years built up an informal association with other similar ventures, several of which received considerable backing from the local communes and parishes in which they were located. Eventually, at the end of 1978, MAG was legally constituted under a law of 1886 which permits funds to be raised and redistributed to assist members of a self-help society wanting to buy machines or material for their profession.
- 5.1.2 In this first period MAG was a centre of discussion and effort to promote the ideas of self-management and cooperatives. Its main activity was as a funding body, collecting money from members and redistributing it to cooperatives. As distinct from the commercial banks where rates of interest vary according to individual contracts made with each depositor, MAG established two fixed rates: one for ordinary loans and one for fixed-term depositors.
- 5.1.3 MAG started with some 30 cooperatives in different industrial sectors, (graphics, engineering, tool-making, agricultural and social services). Within a few months the membership had gone up to about 100, including some trade unions. By 1984 there were, in all, 325 members, of whom 250 were individuals and the remainder cooperatives, trade unions and other associations.
- 5.1.4 As time went by, MAG's financial activity increased while its role in coordinating local cooperatives diminished. It nevertheless set up an independent Study Centre in Self Management, which concentrated more on training and on developing links with trade unions. At the same time MAG provided services to cooperatives in the technical field. Since it did not have any state subsidy or grant it had to rely on charging for its services, and many cooperatives could ill afford this. In this respect it has differed from the large national cooperative bodies in Italy. By 1981 the annual cost of running MAG was approximately Lire 50 Million.

- 5.1.5 Since 1982/83 MAG has assisted in the establishment of some 20 new cooperatives in its area. It has established a separate cooperative society called MAG Servizi. This can help in drawing up statutes, in getting the constitutional formalities completed, in setting up accounting systems, in making business plans and in providing general and administrative information and advice.
- 5.1.6 MAG keeps the balance between its various activities under continuous review: providing financing; providing technical assistance; undertaking research and promotional work. It is conscious of having uncertain relationships both with the governmental agencies at the regional and local levels and with the large central and national cooperative organisations.
- 5.1.7 By 1983 MAG had succeeded in balancing its own finances through revenue which came from regular services offered to cooperatives especially in accountancy (62% of its total income), services in connection with new start-ups (30%), and income from interest on loans (8%). Deposits from members amounted to Lire 285 Million of which Lire 150 Million is out on loan to cooperatives.

Address: MAG Servizi
Via C. Abba 14
37126 Verona
Italy

5.2 CASE STUDY: 2 - UNINORTE - PORTUGAL

5.2.1 Uninorte is the multipurpose cooperative of the northern region of Portugal. It was established in 1977 to meet the needs of cooperative societies and self-managed enterprises as well as businesses which were taken over by the workers. Its constitution was changed in 1982 to conform to new legislation on cooperative organisations. In legal terms it is a service cooperative.

5.2.2 Uninorte had over 100 cooperatives affiliated to it in June 1984 together with two cooperative unions, one in fishing and one in services, as well as two national federations, (one for cultural activities and the other for handicrafts). In its Porto headquarters buildings it provides the following services:-

- Cooperative Law and Constitutions
- Accountancy and Computers
- Commercial Organisation
- Cooperative Organisation
- Management Assistance
- Training and Information
- Technical Cooperation
- Investment Planning
- External Administration

5.2.3 The cooperatives attached to Uninorte come from the fields of housing, agriculture, manufacture, fishing, handicrafts, education, cultural activities and consumer cooperatives.

5.2.4 In 1984 Uninorte became part of the Portuguese programme for the creation of local employment initiatives under the joint EEC/OECD programme.

Address: Uninorte
Rua Delfim Ferrerira 500-2 dir
4100 Porto
Portugal.

5.3 CASE STUDY: 3 - PROMOTECH - FRANCE

- 5.3.1 "The university will not talk to industry, industry will not talk to the university. France - we all know - is suffering from a serious delay in the area of technology transfer: the current does not flow, or if it does, it flows very weakly between the research laboratories and the factory workshops. And if it does, the only ones to benefit are the big industrial groups".
- 5.3.2 Working from this premise a team of university staff from the National Polytechnic Institute of Lorraine - which comprises 5 engineering colleges - set up Promotech in 1980. This association aims to effect a two-way exchange with small and medium sized enterprises and local communities. Promotech starts projects based on a technological innovation, and then economic partners implement these ideas through to the stage of production. Starting in Nancy, Promotech has also developed operations in Strasbourg, Colmar and Grenoble.
- 5.3.3 Promotech operates in several industrial sectors including: agro-nutrition, biotechnology, woodworking, engineering etc. All projects which require working out and testing on the spot will lead either to diversifying the activity of an enterprise which already exists or to creating a new one. The association also provides technical and marketing assistance. In addition, with the assistance of experts, it participates in the actual creation of enterprise (legal advice, management advice etc) or in the establishment of a new branch of activity by an existing enterprise.
- 5.3.4 Promotech services have to be paid for, but the cost is calculated according to the user's resources. Promotech is assisted in Nancy by regional financial institutions which are well acquainted with the local entrepreneurial pattern, by the Chambers of Commerce and Industry, by the banks and by the public administration. At the national level, the association has the support of the Mission Promotion Emploi.

Address: Promotech
1 Rue Grandville
54002 Nancy
France

5.4 CASE STUDY: 4 - SHANNON DEVELOPMENT - IRELAND

- 5.4.1 The Shannon Free Airport Development Company (SFADCo, now known simply as Shannon Development) was set up in 1959 by the government of Ireland to work out a strategy to ensure the survival of Shannon Airport, which was threatened by the introduction of long-haul jet aircraft which no longer required to stop for refuelling before or after the Atlantic crossing. One measure was the creation of a duty-free industrial zone to attract new industries. This in turn, led to the introduction of training and other back-up services for the new industrial concerns. In 1968 Shannon Development was given responsibility for the development of the whole midwest region of Ireland - some 3000 square miles - and ten years later, when the limits of attracting outsiders were more fully appreciated, it was asked by the government to concentrate on the development and support of small indigenous industry and first-time entrepreneurs.
- 5.4.2 In order to provide services which would be comprehensive, simple and easily available two divisions were created. The Small Industry Division has the task of promoting the establishment and expansion of small (1-50 jobs) industries. The Business Services Division provides advisory services on marketing, finance, production management, purchasing, industrial relations and training. Financial incentives are also offered: these include grants for the purchase of fixed assets (up to 60%); grants for training (up to 100%); and a low rate (10%) of corporation profits tax.
- 5.4.3 Shannon Development has six interlinked promotion and assistance programmes:
- Encouragement of the entrepreneurial spirit. This is developed through advertising campaigns; the provision of advice centres in 5 towns in the region; industrial 'clinics'; a schools programme, including a business ideas award/competition and seminars for teachers; and the building of small factory premises.
 - Expansion of existing small industries: This occurs through training, advisory services, research and development grants (of up to 50% of the costs), product identification, sponsoring of joint ventures between two or more small firms, a management exchange scheme for small firms between Ireland and United States of America, and the secondment of graduates to small firms with their salary paid by Shannon Development.

- Product Search and Development, through the establishment of an Innovation Centre and a micro-electronics application centre (both in Limerick); and through grants of 50% of the cost of feasibility studies.
- Linkage between small and large industries, through a 'matchmaker' service designed to encourage sub-contracts for small firms.
- Community projects and the development of cooperatives, through the provision of advisers and development officers, workshop space where start-ups can be made, and self-contained small factories into which successful ones can move. There is special attention given to agri-business (deer farming, fox farming, rabbit farming and honey production).

5.4.4 Shannon Development has established a regional management centre, which provides a wide range of training programmes, both general and specialised. Particular attention is given to those wishing to start their own businesses. In addition training is given to the staff of Shannon Development so as to equip them more adequately to deal with small business promotion and support.

It is estimated that between 1978 and 1984, 2000 new jobs were created and sustained by Shannon Development.

Address: Shannon Free Airport Development Co Ltd
Town Centre
Shannon Airport
Co. Clare
Ireland.

5.5 CASE STUDY: 5 - HANDSWORTH EMPLOYMENT SCHEME LTD -
UNITED KINGDOM

- 5.5.1 HES started in 1978, when a group of professional people representing all sections of the community came together to make efforts to combat the increasing unemployment problem in Handsworth in Birmingham and to implement a strategy of regenerating the inner city area. More specifically, they aimed:
- to create or stimulate employment opportunities;
 - to improve the position of inner city workers in the labour market, via training and other schemes;
 - to provide advice, information and other resources to local voluntary organisations trying to develop their own employment and training schemes.
- 5.5.2 The legal framework under which HES started operating was that of a Company Limited by Guarantee. By July 1981 it had also acquired charitable status. An application to the government's Inner City Partnership Programme for funds to establish an Advice Centre was successful and HES took on its first full-time staff in May 1979. The Advice Centre has been in receipt of an annual grant of £23,400 for a development officer, whose brief is to stimulate economic activity among small business entrepreneurs, and for an information officer, who is responsible for counselling job seekers and finding employment for them. Assisting these officers is a secretary/clerical officer.
- 5.5.3 Since 1980 HES has also been operating a training workshop for unemployed young people funded by the Inner City Partnership Programme and the manpower Services Commission, another government agency. In the workshop, eight members of staff are employed to give instruction in engineering, office work, garment manufacturing, and life and social skills.
- 5.5.4 To respond to the needs of the long-term unemployed over the age of 18, HES established an agency, with finance from a programme administered by the Manpower Services Commission, the Community Programme, to create temporary employment for 122 adults, mainly in refurbishing buildings in the community.

- 5.5.5 HES defines the community ethnically: the 'black community'. Registered membership of the company stands at approximately 100. There are four general meetings per year, with one annual general meeting. All meetings are open to the general public, but voting is restricted to registered members.
- 5.5.6 Although HES claims to have achieved many of its objectives it has also recognised the following dangers:
- becoming increasingly dependent on statutory funders;
 - becoming a major institution, but in the secondary labour market, which is characterised by low pay, temporary employment and unskilled labour.
- 5.5.7 HES now proposes that emphasis should be placed on creating larger scale economic ventures that could make a greater impact on the local economy. In particular, HES wants to establish an 'Enterprises Unit' to help launch medium-sized businesses. These would provide employment for young people and adults who have completed the maximum permissible 12 months training or temporary work under the government funded schemes.

Address: Handsworth Employment Scheme Limited
143 Lozells Road
Handsworth
Birmingham B19 2TP
England

5.6 CASE STUDY: 6 - INNOVATION CENTRES - UNITED KINGDOM

5.6.1 In the UK a number of local authorities have identified a need to promote economic development by helping existing enterprises to diversify by developing new products and finding new markets for them. To meet this need they have established Innovation Centres. Although each of these centres has its individual characteristics, they all provide:

- services to assist in the development of new products;
- workshop accommodation in which new products can be developed.

5.6.2 The services provided include:

- identifying new products;
- arranging for advisers and consultants;
- and research, design and testing.

Advice is available on patents, and feasibility studies. Projects can also be monitored and a wide-range of information is provided. Many centres have an 'outreach' approach whereby they seek out projects rather than merely wait for people to come to them. Contacts and working relationships are built up with local firms, academics, research and scientific institutions.

5.6.3 Other services which are seen to be important and valuable include:

- technology transfer (by informing local firms of new ideas which might be developed into products);
- a design service (to assist and demonstrate the actual process of developing new products);
- management and other training (to provide the skills needed when taking on a new product).

5.6.4 workshop space, (and in some cases, assistance in actually making prototypes) is provided to assist the development of new products. This will cover the various stages of making a prototype and of pre-production. In principle the workshop space of an Innovation centre is intended only for use in the development of new products or services and not for enterprises engaged on routine production or provision of services, even if they are new enterprises. In

practice it is sometimes difficult to make this distinction and some workshops are let to new small firms, irrespective of the innovatory nature of their product, rather than leave the space unused. In addition, some firms seek to remain in the workshop, even though they no longer require or can benefit from its special facilities for aiding innovation.

5.6.5 There are also a number of schemes providing small workspaces, often with additional facilities (marketing and accountancy, advisory services, shared clerical and telephone services, etc) which are available on favourable terms (of rent and of conditions of tenure) to new local employment initiatives, whatever the nature of their business.

5.7 CASE STUDY: 7 - ESTABLISHING A COOPERATIVE
DEVELOPMENT AGENCY - COVENTRY, UNITED KINGDOM

- 5.7.1 In Autumn 1981 two existing cooperatives in Coventry, the Wedge Cafe and Coventry Builders, met to discuss the possibility of setting up a local agency to promote and assist the development of other cooperatives - a cooperative development agency. But problems of time and finance proved insuperable and the project was shelved until such time as a solution could be found.
- 5.7.2 However, shortly after this the two cooperatives were contacted by officers from the local metropolitan authority's Economic Development Unit, to discuss the funding for such an agency, and after lengthy discussions with an advisory group comprising interested local bodies, the agency was established in January 1982 with funding for three posts.
- 5.7.3 It was decided that the first development worker post should be shared and so two part-time workers were appointed. Working at first from their homes and subsequently from a tiny office at the nearby Lanchester Polytechnic, the initial months were spent establishing the agency, responding to the large backlog of enquiries generated by a County Council advertising campaign, promoting the formation of cooperatives, developing a method of working with groups, recruiting additional staff, training, producing publicity materials, making contacts with other local agencies, developing a library and information service, and searching for a permanent office.
- 5.7.4 In September 1982 three further part-time workers were appointed, and time was spent familiarising them with the work of the agency, training them, and redistributing the workload. In December 1982 the agency moved into its permanent home where it now has an office, computer room/library and education room. In March 1983 one worker left the agency to return to teaching and in April 1983 the metropolitan authority provided sufficient extra finance to allow the four remaining workers to be employed full-time.
- 5.7.5 Decisions regarding the structure of the agency were arrived at in meetings between the original advisory group and the Economic Development Unit and were based on two guiding principles. Firstly, it was felt that the agency should be democratic and autonomous. Secondly, it was felt that it should be run by the cooperatives it serves, rather than sympathetic outsiders: experience had shown that where advice was given to co-ops directly by public authority

officers rather than through an external agency, problems of bureaucracy and conflicting priorities could often lead to the cooperatives being undermined rather than assisted.

5.7.6 This approach has resulted in the agency becoming a Company Limited by Guarantee, run by a management committee which meets quarterly. The management committee comprises representatives of the worker cooperatives (who hold an inbuilt majority), the (national) Industrial Common Ownership Movement, the public authorities (both local and metropolitan), the Trades Council and its Women's Caucus, and the Cooperative Retail Society. Policy is overseen by sub-committees on education, publicity and finance, each of which comprise one agency worker, plus interested members of the management committee, and outside organisations where appropriate.

5.7.7 The Process - A typical 'case' handled by the agency might progress as follows:

- An individual will telephone the agency with an idea for a co-op. He/she is invited to come to the office, if possible with the other members of the group, and an appointment is set.
- At the appointed time one or more of the development workers will meet the group for an hour or two during which time the principles of cooperation, the role of the agency, the development process, the kinds of assistance required and available and the nature of the product or service are discussed. Written back-up material is provided and the people are asked to come back within a week if they wish to proceed.
- At a further meeting a rather more detailed look at the business is taken. If any referrals to other agencies are required they are made then. The group leave to pursue any aspect of its business it feels able to do alone, until it can attend an 'Education Course' for co-operators.
- The Education Course lasts for 10 weeks, one day a week. All members of the group are encouraged to attend and during it they will learn the basics of business and cooperation, as well as doing homework on their own project. At the end of the 10 weeks, the group and the agency will have a clear idea of whether they can work together and whether they possess the skills to run their co-op as a commercial enterprise.

- The group by now will be competent to draft a preliminary business plan. A worker from the agency will be attached to them to assist this and provide the group with the resources it needs to complete its business plan. Much of this time will be spent in face-to-face meetings with the workers as frequently as is felt necessary. The agency will attempt to respond to any needs the group may have whether it be for further training, product development, outside specialist help or others.
- The business plan complete, and the management committee assured of the co-op's bona fides, it goes to the metropolitan authority, Industrial Common ownership Finance (ICOF), and to conventional funding sources. Both the authority and ICOF (a long established national body lending funds to worker co-ops, with a special development fund for West Midlands co-ops provided by the authority) will assess the viability of the proposal, and if convinced will recommend an appropriate funding package which normally comes in the form of mixed grants and loans, with a rider that the group seeks some additional outside finance, usually in the form of a bank overdraft. Each co-op, where possible, is set up with an appropriate level and type of financial package.

5.7.8 There are of course exceptions to the process as the agency tries to be responsive to the particular needs of the groups. Groups who have previously been working together and possess the skills required may be exempted from parts of the education course, as may groups in an emergency (factory closures for instance), or groups for whom there is an obvious and possibly short-lived market opportunity needing to be seized to ensure a successful launch.

5.7.9 The length of time taken from approaching the agency to commencing trading can vary from 4 to 18 months. The agency is concerned to keep the time spent in development process to a minimum (while not wishing to float on to the market ill-prepared co-ops which will flare briefly and die).

5.7.10 Once a group has begun trading, assistance while diminishing, does not disappear. The agency maintains contact with groups, both to assist them in the early days and to provide monitoring information. The information required is of a type which the co-op itself should be keeping for management accounting purposes and is helpful rather than onerous.

Address: Coventry CDA
Unit 15
The Arches Industrial Estate
Coventry
England

5.8 CASE STUDY: 8 - MAG 2 - ITALY

- 5.8.1 MAG 2 is a secondary co-operative: it responds to requests for advice and assistance from other cooperatives or from people who are trying to establish projects on a co-operative, participatory and self-governing basis. Emphasis is placed on the principles of self-government and self-management (autogestione).
- 5.8.2 MAG 2 is itself a cooperative, of which both individuals and cooperatives and other associations can be members. The cost of membership is Lire 5000.
- 5.8.3 The main objective of MAG 2 is to collect financial contributions from its members, which can be invested in other cooperative enterprises. Interest is payable at a rate somewhat lower than current commercial rates. Investments of quite small amounts are accepted: MAG 2 is based on the principles that by accumulation of such small amounts, quite considerable investment funds can be found; that a number of people with savings to invest would prefer to have their money used for purposes of which they approve rather than by investing through banks where they might receive a higher return but have no knowledge or control of how their money was being used. The conditions of withdrawing all or part of the sums invested are, however, the same as for other and more traditional forms of savings investments.
- 5.8.4 The other objective of MAG 2 is to provide advice and technical assistance in a number of fields in which its members have competence and expertise: these include business administration, accountancy, publicity and public relations. MAG 2 also organises seminars, meetings and debates on issues related to cooperatives; and it seeks to establish contacts and exchanges of information with other like-minded organisations in Italy and elsewhere.
- 5.8.5 MAG 2 was established at Inzago near Milan in 1981, and took its name from a similar body MAG which had already been started in Verona (see para 5.1). The first enterprise which benefited from the financial support of MAG 2 was the Sunflower Printing Co-operative which used the funds to acquire machinery and other equipment in order to start functioning.

Address: MAG 2
via Besana 7
20065 - Inzago
Italy

5.9 CASE STUDY: 9 - JUTLAND TECHNOLOGICAL INSTITUTE (JTI) DENMARK

5.9.1 The JTI is an independent, non-profit organisation founded by the Danish business community in 1943. Queen Margrethe II is the patron of the institute. JTI's main function is to transform research results into applied technology through:

- consulting on managerial and technological issues;
- running industrial training courses;
- testing new products, processes and materials;
- undertaking research and development projects.

5.9.2 Organisation

JTI's Board of Representatives is a reflection of the broad spectrum of the Danish business community that founded it. The members come from craft, trade and industrial organisations, the employers' association, trade unions, and state and municipal organisations. The Board of Directors is appointed by the Board of Representatives, and the day-to-day functioning of the institute is the responsibility of the managing director. Three divisions coordinate the poly-technological activities.

5.9.3 Resources

On the staff of JTI are represented both business and research skills, in keeping with the institute's role as intermediary between the theoretical and practical. They include engineers, economists and certificated technicians, who keep up to date with new ideas and developments by close contact and cooperation with national and international research organisations, standardisation boards, etc. There is a special department to provide training and technical assistance in the starting and management of small businesses.

5.9.4 Facilities

The institute is situated near the centre of Aarhus, Denmark's second largest town. The JTI building consists of 30,000m² of classrooms, offices and a residential hall. Laboratories are equipped with instruments not otherwise available to most Danish firms. Visiting scholars and participants in long-term training programmes can be accommodated in the hall of residence, which has 122 rooms and a dining area.

JTI also has a number of fully equipped mobile laboratories and classrooms set up in railway carriages

which can bring the institute's services to clients around the country.

5.9.5 Services

The institute offers a wide range of professional services which can be summarised under four headings: consultancy, training, testing and research and development. A distinction can be made between activities fully paid for by the client on a contract basis and those fully or partially subsidised by the government. The government supported programmes emphasise training, starting new businesses, the support of small firms with growth potential and the encouragement of adaptation and application research. As a special point of interest, JTI has been authorised by the Danish National Testing Board and similar international institutions to perform testing for certification. This control system provides objective evaluation of materials and products.

5.9.6 International Activities

Cooperation between industrialised and third world countries is taking place in order to promote the development of infrastructure and local production capability within basic fields such as agriculture and housing. The Danish industrial structure is well-suited to take part in this joint effort due to the large number of small but technologically advanced firms with a high degree of flexibility towards special needs.

JTI's international activities are centred around back-up technological assistance to firms involved in turn-key projects and joint ventures which emphasise industrial training and the transfer of technology.

Address: Jutland Technological Institute
Marsalis Boulevard 135
8000 Aarhus C
Denmark

5.10 CASE STUDY: 10 - PROJECT NORTH EAST - UNITED KINGDOM

5.10.1 Project North East is an independent initiative to help generate new jobs and businesses in the north-east of England. The project began in mid-1980 as a result of an initiative by a small group of young professional people in the north-east of England who were concerned by the problems of unemployment, and what they saw as a lack of new thinking about how to tackle them.

5.10.2 General objectives

The main objectives of the project are to assist in the creation of new jobs and businesses in the north-east by promoting the option of self-employment and assisting people, especially young people, to create their own jobs; the provision of counselling, information and other facilities; and the development and management of new projects in the training and employment field which can be demonstration or pilot schemes, for replication on a wider basis.

5.10.3 Legal status

The project existed as an unincorporated association for the first three years of its life. During this period it had an informal advisory group drawn from local small business agencies, firms and trade unions, an industrial chaplaincy and voluntary organisations. The project was registered as a non-profit company limited by guarantee in April 1983 when the advisory committee became the board of directors of the project. It is recognised as a local enterprise agency under the 1982 Finance Act by the Department of Trade and Industry: this means that large companies and other bodies can make tax-free donations to it.

5.10.4 Personnel

The project is run by the two founder managers: one is a law graduate who worked in marketing management with a major company for two years before moving to the project. The other has a degree in Engineering and subsequently took an Advanced Production Management Course before spending two years with a company in the north-east. They were initially supported by volunteers, a (volunteer) typist, and an office clerk. In October 1982 they were able to

recruit a full-time assistant manager under a government temporary work programme for one year. They now have a new assistant manager funded under a similar programme, together with a part-time secretary and two part-time development officers.

5.10.5 Finance

Initial funding for PNE came from a national foundation. Subsequently virtually all financing has come from its sponsorship of specific initiatives, most of it being funded by private companies and charitable foundations, although some assignments have been done for local authorities.

5.10.6 Method of work and activities

The main work is concerned with the conception and management of demonstration projects. These are almost always initiated by PNE itself, which then seeks funding for them.

It pioneered and subsequently managed a series of promotional campaigns to motivate local people to consider the self-employment option. These were marketed under the theme, "Make Your Own Job" and included a series of highly publicised exhibitions about starting in business, mobile exhibitions, localised guides to self-employment and sources of assistance, and the production of a tape-slide presentation. These have been followed up with the management of two business competitions for young people.

PNE has developed particular skills in managing local employment initiatives, two major initiatives having been helped from initial feasibility study to full project completion. One - North Tyneside Brass Tacks - was one of Britain's first centres offering training in information technology skills to young unemployed people, the second - Newcastle Youth Enterprise Centre - will be Britain's first comprehensive youth enterprise scheme. It will provide workspace, common facilities, business information and advice, business training and start-up finance - all under one roof.

The project has also completed feasibility studies or development work for several other youth training and employment creation projects.

5.10.7 Problems, and how they were overcome

Four main problems have faced Project North-East since its inception:

1. Difficulties of Funding - Tackled by building up a track record and constantly looking out for possible sponsors.
2. Acceptance within the network of assisting agencies - Again, tackled by building up a track record plus holding regular consultations with individual organisations, involving them in particular initiatives and providing them with feed-back on activities through a quarterly newsletter.
3. Inadequate administrative back up - Tackled by gradually building up office facilities and staff. Having staff on temporary contracts under government programmes has raised problems: just as they become experienced and familiar with the operations of the project they have to leave.
4. External awareness of project activities - Tackled through carefully building up immediate contacts and being sensitive to their information requirements.

Address: Project North-East
5 Saville Place
Newcastle-upon-Tyne NE1 8DQ
UK

5.11 CASE STUDY: 11 - WALES COOPERATIVE DEVELOPMENT
AND TRAINING CENTRE - UNITED KINGDOM (WALES)

5.11.1 The centre is sponsored by the Wales Trade Union Congress and has been assisted by grants from the United Kingdom government and the EEC, as well as from a number of local government authorities in Wales. It is an independent organisation which aims to encourage the growth of worker-owned enterprises by providing access to technical and consultancy resources. The Centre was established after the Wales Trade Union Congress had adopted a policy of supporting cooperatives as a way of creating employment. Such a policy had been proposed in a feasibility study published in 1981 under the title "Cooperatives and Job Creation in Wales". The study was funded by the United Kingdom government through the Welsh Office.

5.11.2 No charge is made for the services provided which include:

- practical support to groups while they work out their marketing strategy, organisation and management, start-up finance proposals and business plans.
- training at the workplace, or elsewhere, to help groups acquire business skills in book-keeping, financial planning and forecasting, sales and marketing, design and production, etc.

Assistance is also given in assessing ideas for a product or service and conducting feasibility and marketing research.

5.11.3 The Centre's services are available to cooperative groups all over Wales. The Centre provides support direct to such groups and also assists local agencies to help cooperatives in their area. In addition to acting as a forum to broaden public and political knowledge of cooperatives and providing education and training services, the Centre identifies and develops resources within local communities, such as premises, in order to make them available to cooperatives. It investigates and monitors markets for products and services provided by cooperatives and encourages the development of new products and services.

Address: Wales Cooperative Development and Training
Centre

Llandaff Court
Fairwater Road
Llandaff
Cardiff
South Glamorgan CF5 2XP
Wales

5.12 CASE STUDY: 12 - MUTUAL SUPPORT NETWORK WALES
UNITED KINGDOM (WALES)

- 5.12.1 The Network had its origin in a 2-day meeting of groups and individuals, many unemployed, held at a residential education centre in January 1980. Some of the one hundred participants, with help from staff members of the Open University and others engaged in various educational activities, decided to form a loosely structured network which would enable those who were unemployed to discover how to create and manage responses to their own needs. In the Network emphasis is placed on local autonomy and decision making by local groups; efforts are made to cooperate with other bodies over a wide range of interests and activities.
- 5.12.2 The activities of the Network are managed by a committee of six of its members. For 12 months (1982 - 1983) a part-time worker was employed but in general it relies on the work of volunteers. The Network is housed in the offices of the Gwent Common Ownership Association, which is a local federation of workers' cooperatives in South Wales; it has the support of the Open University and it is closely associated with the Greenhouse, which is the centre of a network of organisations and unemployed groups based in Bangor in North Wales.
- 5.12.3 The Network has had financial support over 3 years from a foundation but has no stable financial base. It has, however, been able to assist a number of groups obtain access to large amounts of funding from both governmental and European sources.
- 5.12.4 Particular attention is paid to helping the development of activities for young people in rural Wales and 12 localities have been selected in which training and support is given in computer literacy and basic craft skills. This will in the first instance rely largely on volunteer activities but is planned to develop into work placement and more systematic and advanced training.

Address: Mutual Support Network Wales
78 Bridge Street
Newport
Gwent NP7 4AQ
Wales

5.13 CASE STUDY: 13 - FONDATION ANDRÉ OLEFFE - BELGIUM

5.13.1 The Foundation was set up in 1980, and named after a former Minister of Economic Affairs, who had also been for many years President of the Christian Workers' Movement in Belgium. It is mainly active in Wallonia, the southern part of the country, and its purpose is to provide legal, economic and technical assistance for workers or people out of work who seek to set up employment initiatives in self-managed cooperatives.

5.13.2 The Foundation seeks to promote an entrepreneurial spirit which:

- aims at economic and social viability rather than maximisation of profit;
- is concerned with management through workers' participation;
- seeks cooperation rather than competition in both internal and external relations;
- uses techniques which are not harmful to the environment;
- promotes the re-emergence of craft and cottage industries;
- provides products and services to meet real, rather than artificially created needs.

5.13.3 In return for Foundation support, enterprises which are assisted and make a profit pay to the Foundation between 0.5% and 1% of their turnover or a minimum of approximately B.francs 5000 a year. Each enterprise which is federated has a representative on the Foundation's management committee. To raise additional finance the Foundation has set up a financing cooperative SAVE (Solidarité et Soutien aux Alternatives pour l'emploi et la qualité de la Vie: Solidarity and support for alternative employment and the quality of life). Shares are sold at BF 1000 each and the money is made available as loan risk capital on favourable terms.

5.13.4 In the early years (1975 - 1980) when the idea of the Foundation was being developed much attention was paid to the needs of workers in enterprises threatened with closure to maintain their employment by forming cooperatives. Later, new ventures have been launched in the manufacturing, consumer and service sectors.

The Foundation has established two local job promotion units, which undertake research on the local labour market as a basis for deploying legal, administrative, financial, technical and economic assistance for the creation of new employment.

Address: Fondation Adre Oleffe
141 rue de la Loi
1041 Brussels
Belgium

5.14 CASE STUDY: 14 - CARDIFF AND VALE ENTERPRISE - UNITED KINGDOM (WALES)

- 5.14.1 During the latter part of the 1970s a number of initiatives were taken to promote and assist economic development at the local level, which became known as local enterprise trusts or agencies. More recently the concept has been supported with some vigour both by private companies, conscious of their social responsibilities and their need to exist within prosperous communities, and by local authorities, anxious to bolster their economic development policies with some "home grown" enterprises. Central government support has also been forthcoming in the form of tax allowances for companies supporting what are now most commonly known as local enterprise agencies. There are some 160 agencies (Summer 1984) operating throughout the UK, some of them voluntary sector initiatives, some predominantly local authority offshoots, but the majority funded directly and through the secondment of staff by the private sector, with local authority support.
- 5.14.2 Cardiff and Vale Enterprise is an example of what can be achieved through the active cooperation of the private and public sectors. The initial impetus to set up the enterprise agency came from the South Glamorgan County Council and Cardiff City Council and they received the support of Business in the Community (a national organisation which promotes and services local enterprise agencies) to secure the involvement of local private industry. The agency is constituted as a company limited by guarantee and has an impressive list of sponsors and supporters. In addition to the two major councils, the public sector is represented by the Vale of Glamorgan Borough Council, the Welsh Development Agency and the Welsh Office amongst others. A long list of supporting companies includes national names which have local branches such as Marks and Spencer, Sainsburys and ICL, as well as a number of purely local firms.
- 5.14.3 The agency is one of the largest of its kind in the country, with a team of 10 full-time staff. The managing executive is on a two year secondment from Marks and Spencer and he is backed up by another 6 secondees and three directly financed secretarial/support staff. An important aspect of Cardiff and Vale Enterprise is that the support of the local authorities has extended to the secondment of two industrial development specialists from the City and County so that all the local authorities' business development work, grant allocation and local authority workshop management are now the responsibility

of the agency. This enables the agency to operate as a truly "one-stop-shop". Financial expertise comes from staff seconded by a bank and a firm of chartered accountants, and marketing advice from a secondee from the Welsh Development Agency. One member of staff specialises in the field of cooperative development.

- 5.14.4 The business advice service of Cardiff and Vale Enterprise is provided to those both planning and running enterprises. Advice includes business planning, marketing, funding - including assisting with applications for grants and loans to public authorities - financial control, premises and specialist help for cooperatives. More specialist advice can also be obtained - initially free of charge - from the scheme's sponsors which include local solicitors, accountants, banks and insurance brokers.
- 5.14.5 The agency has also sponsored the Cardiff Small Business Club which provides a series of informative talks as well as the opportunity for those running small businesses to meet and exchange experience. Small business workshops held in the evening and all-day business surgeries are run periodically in conjunction with the government's Small Firms Service and a variety of seminars are organised ranging from lunchtime "Meet a bank manager" sessions, to all-day marketing seminars. Cooperation with organisations such as the Cardiff University Industry Centre, enables support to be offered to inventors, innovators and new product designers. A bi-monthly bulletin aims to bring together those needing and those able to provide capital and management expertise. Other initiatives taken by the agency include "Meet the buyers" events, when small businesses are invited to meet large company buyers.
- 5.14.6 The results of some 1500 enquiry forms sent to the agency's clients have recently been analysed and indicate that from its launch in mid-April 1983 until mid-June 1984, the agency had contributed to the start-up of 64 new enterprises with 244 jobs, plus the creation of 322 new jobs at existing businesses, and about 100 jobs saved.

Address: Cardiff and Vale Enterprise
5 Mount Stuart Square
Cardiff CF1 6EE
Wales

5.15 CASE STUDY: 15 - BOUTIQUES DE GESTION - FRANCE

5.15.1 By 1983 there were some 50 Boutiques de Gestion in France either fully operating or in the process of being established and obtaining recognition. The first two were opened in 1980 in Paris and Lille. In June 1981 representatives of the Boutiques then operating formed a liaison committee.

5.15.2 The main clients of the Boutiques de Gestion are:

- unemployed, usually wanting to form a cooperative;
- social workers wanting to start production-rehabilitation workshops;
- community workers and local 'activists';
- engineering technicians seeking to apply appropriate technology.

5.15.3 Four principal services are provided by the Boutiques: advice/support; training; research studies and animation. Between October 81 and October 82, the 15 oldest Boutiques had established 1074 jobs, consolidated 645 others and were working on a further 524; a total of 2276 jobs in all. During the same period they gave 8260 hours of training to 815 trainees and undertook some 40 specialised studies. On average each Boutique has created 74 jobs a year.

5.15.4 Staff

Boutiques have 2-3 paid staff, mainly highly qualified with an average age of 30/35. In addition each Boutique has some 20 consultants associated with it, who come from local institutions, government offices, banks etc.

5.15.5 Finance

The average budget of a Boutique is FF 620,000 (approx £60,000). Services to applicants are costed according to their ability to pay, but the rate is usually below the commercial one. Generally the income is derived as follows: payment for services and training - 40%; contracts and research studies - 40%; grants and subsidies - 20%, although some get no local financial support by way of grant-aid.

By way of example, details are provided about the work of one Boutique de Gestion in Paris and ESPACE, the Boutique de Gestion in Lille.

5.15.6 Paris:

The Boutique de Gestion in Paris is an association created under the law of 1901 which covers non-profit companies. It was established in 1980 and differs from other consulting, educational and information service firms in that it is organised on different principles. Firstly, it aims at reaching a particular public whose goals are both social and economic. Secondly, it wishes to develop a movement of solidarity and exchange within a network of unconventional enterprises. Thirdly, it aims to promote new forms of organisation of work, having egalitarian, cooperative and socially orientated aspirations.

Between May and September 1980, the Boutique received more than 1,000 requests for information: 70% concerned legal questions, 60% concerned financial problems and 40% concerned problems of management. The clients were mostly people between 25 and 40 years of age and unemployed. The Boutique's network of external experts is composed of more than 50 advisers.

The services offered by the Boutique consist of:

- an information centre open on Tuesday and Thursday afternoons.
- consultancy and lecturing sessions about technical problems usually lasting one day. The first consultation is free of charge, others are based on an hourly fee.
- consultancy sessions concerning the approach and development of projects usually lasting one day.
- long-term consultancy (lasting 8 days or more) concerning management or other problems.
- publication of "practical notes" (on topics such as the tax advantages and disadvantages of different forms of legal and corporate status).
- follow-up of projects by groups of experts with

5.15.7 Lille:

A summary of the 1983 activities of ESPACE, the Boutique de Gestion in Lille is as follows:

- the creation of 300 new jobs in 50 new or reconstructed enterprises;
- the saving and consolidation of 117 jobs in other enterprises which were in danger of failing;
- 8 courses of training on the setting up of new enterprises with a total of 400 training hours, for 152 participants;
- studies on the application of new inventions and technology, usually in cooperation with the original inventor, led to 6 feasibility studies now being followed up and one high technology enterprise established;
- 4 research studies were undertaken for government departments and the EEC;
- an active role was played in regional, national and European activities concerning the promotion of local employment initiatives;
- new local offices and networks were established in six areas;
- a communication network was set up between the local structures;
- a documentation centre was established.

Addresses: Boutique de Gestion
4 rue d'Enghien
Paris 10
France

ESPACE
559 Avenue de la Republique
59700 Marcq-en-Baroeul
(Lille)
France

- 5.16 CASE STUDY: 16 - LOCAL AUTHORITY SERVICES:
AN EXAMPLE FROM CALDERDALE - UNITED KINGDOM
- 5.16.1 Many local authorities in the UK have set up industrial and economic development services which they operate directly or indirectly, in cooperation with voluntary or other non-official agencies. Calderdale, a metropolitan district of West Yorkshire with 190,000 inhabitants, typifies the range and variety of direct and indirect approaches. It covers a predominantly industrial area developed during the 19th century with textiles and machine tools as the major industries. Both have contracted severely, resulting in high rates of unemployment. The services provided by the District Council are now described.
- 5.16.2 The Council's Industrial Development Officer gives advice to firms, aiding them particularly in their contacts with the local authority and with central government departments, and introduces them to other sources of advice and support. The officer is also able to tell new businesses what sites and services are available to them in Calderdale.
- 5.16.3 The Council supports a Small Business Advice Centre, in conjunction with some 20 local firms, to provide detailed advice on business matters to people contemplating starting their own businesses and to new firms. Information and guidance is provided on sources of finance, premises, marketing exports, personnel matters and industrial relations. Consultancy services on legal and accountancy matters are also available. In addition the Council maintains a Register of Vacant Industrial Sites and Premises in order to assist firms which wish to move into new accomodation. The Council tries to assist in the improvement of industrial estate roads and services mostly through encouraging private sector developers, but occasionally it has been directly involved in developing its own estates where the need was great and the costs too high to attract the private sector. The Council has been prepared to accept a lower than normal financial return because of the 'social return' of the jobs which have been created.

- 5.16.4 The Calderdale Information Service for Business and Industry is supported by the local authority and the local College of Further Education. It provides information on products, services and a computerised patents service via an international database for local firms. A quarterly newsletter is distributed to 1,800 local firms. One major aim of this service is to encourage local companies to purchase goods or create work by letting them know what goods are available locally.
- 5.16.5 The Council's Industrial and Commercial Loan Scheme provides loans to local firms for the purchase of industrial land and buildings as well as for the construction of new industrial buildings. The Calderdale Small Firms Start Up Fund also provides limited financial assistance (up to £1,000) to new small firms to help them in their very earliest stages.
- 5.16.6 The Council has developed several policies to encourage local firms to introduce new technology into their operations. As a result of expert advice made available to them, 30 local firms obtained government funds to install micro-electronic technology in existing industrial processes. An Industrial Microprocessor Development Unit is being established which will stimulate awareness of new technology, and act as a centre of expertise in the field of microprocessor applications. The Council has also sponsored an Information Technology Centre to train 30 young people each year in basic electronics and computing. It also proposes to establish an Advanced Business Centre to support new and very small businesses by providing access to computer hardware and software on a shared basis; by providing training, advice and programming services; and by trying to increase awareness of the benefits of computerisation. The Calderdale Innovation Centre has been established to transform ideas and inventions into commercially viable products. The aim of the Centre is to generate new businesses based on new products and to increase the flow of new product ideas to local firms.
- 5.16.7 The Council has secured funding for a Co-operative Development Fieldworker with responsibility for stimulating interest in the co-operative form of business.
- 5.16.8 The Council also has several policies to deal with the problems caused by unemployment. There is

a Recruitment Premium Scheme through which a sum of money is paid for one year to local firms to encourage them to employ severely disadvantaged and handicapped young people. Experience shows that the vast majority of these young people are kept on in permanent employment at the end of the year covered by the scheme, yet employers agree that without the premium they would not have been prepared to give such youngsters a chance of employment. The Council is a sponsor of several schemes promoted by the government. These include the Youth Training Scheme, which offers a year's vocational on-the-job training to all unemployed school leavers, and the Community Programme, through which unemployed people are paid to work on projects which are of benefit to the whole community. Finally, the Council is also trying to help unemployed people claim all the benefits to which they are entitled. An Unemployment Benefits Adviser is to be employed.

- 5.16.9 The District Council has helped several management buy-outs arising from company closures. This scheme works by providing investment finance to permit the local management of companies which are closing down a Calderdale factory (usually with headquarters outside the area) to buy the company from their local employers, and continue to run it, keeping themselves and their fellow employees in work. This is done only if the company is considered to be viable as a separate operating unit.
- 5.16.10 The Council also works in close cooperation with a private "work-space" venture, Dean Clough, in which a large 19th Century carpet mill with over 1 million square feet of space has been purchased by a local entrepreneur and is being converted into workshops for small and medium-sized enterprises at low rents and on easy and negotiable conditions. Within one year of starting 70 small enterprises have taken up occupancy. Common clerical and accountancy services are provided as well as salesroom, exhibition and conference facilities.

Address: Metropolitan Borough of Calderdale
Town Hall
HALIFAX
HX1 1UJ

5.17 CASE STUDY: 17 - POSTO de TRABALHO - PORTUGAL

- 5.17.1 Posto de Trabalho is a private and independent body set up by a firm of engineering management and training consultants in Lisbon. Its aim is to establish local enterprise centres and to promote the creation of new enterprises thus providing more job opportunities.
- 5.17.2 One proposed way of doing this is by extending and making more effective the system of industrial estates or parks which have already been started by some municipal authorities in Portugal. It is also proposing that local centres - Centres for Initiatives on Employment (CIE) be established providing workspace of a total of from 500 to 3000 square metres, which could be divided up according to local demand. Each CIE would have a commercial director, a financial administrator and a secretary, who in addition to running the centre as a whole could provide technical services which would be available to the tenants.
- 5.17.3 Posto de Trabalho hopes to spread its ideas through a series of seminars and conferences of which the first was held in Braga, Northern Portugal in 1984. The process of promotion and organisation will also be accompanied by training for new enterprises.

Address: Posto de Trabalho
Travesta do Giestal 40 - 7°
1300 Lisbon
Portugal

5.18 CASE STUDY: 18 - THE FONDATION RURALE DE WALLONIE
(FRW) - BELGIUM

5.18.1 The FRW was created, in 1975:

- to act as a 'rural lobby' to obtain a fair share of public grants, and to help generate specific measures, for rural regions:
- to advise public authorities (mainly the Walloon Regional Authority) on rural policy (agriculture, forestry, rural industries, tourism, transport, public services, etc);
- to support local authorities and the local population in the development process:
- to guide and to train rural development agents.

5.18.2 The FRW is a Foundation for community and public purposes and is funded mainly by the Walloon Region, but also by other private and public institutions. It is pluralist in that on its Board of Trustees, are represented all the major groups in rural Wallonia, including politicians from all the large parties in Belgium and economic, social and cultural representatives.

5.18.3 The Foundation has a team of some 50 employees, many of them (about 30) recruited under Belgian employment programmes, who work mainly in the field. Their work is supported by interested people, some of whom form "clubs" for the study of new projects. Support is given to rural developments in general through a programme which aims to diversify agriculture, to create local employment, to maintain and improve private and public services and to renew housing and infrastructure (eg roads, electricity).

5.18.4 FRW encourages entrepreneurs to create new jobs and new enterprises, alone or in groups and to find sources of finance for these initiatives, along with help with management, new product research, new markets etc. Four principal methods are used: technical publications; an annual report; development agents; and aids for new initiatives. Each is now briefly described.

5.18.5 Technical publications

One of the difficulties encountered in this field is the lack of good information. This is why, with the support of the Walloon Ministry for Rural Life, FRW publishes very practical information, written for non-professionals and supplied free of charge. The subjects covered include: how to create a cooperative; a guide to public aids for agriculture; and information about land policy and transport problems. One of the latest publications (1983) is entitled "Preparez la naissance de votre entreprise". (Prepare the birth of your business). FRW does not only wait for people who might be interested in a special theme; it goes to develop them. This is one of jobs of its development agents.

5.18.6 Annual report

Each year (in April) FRW publishes a report on "the evolution of rural regions and their place in the Walloon economy". The report describes what was achieved in the past year, and makes proposals to the public authorities for improving their policies on rural regions. It also takes the opportunity of explaining the difficulties encountered by local initiatives and ways of solving them.

5.18.7 Development agents

Publications are, of course, important, but it is even more important to have the support of qualified agents directly in the field. This is why FRW has recruited 30 "development agents" whose main role is to mobilise the people of a small region to participate in rural regeneration. Since for local authorities, consultation is often something new, the development agents have to mediate between the population and the public authorities. They must also provide information, to make the population aware of economic, social and cultural facts and to help them define the aims of their development. On this basis, during a second phase, development agents help inhabitants and local representatives, meeting together in a "local commission for rural regeneration" to define their aims, to imagine solutions, to work together on concrete proposals, to adjust regularly their aims as the situation evolves. They then have to help the projects to succeed, by providing information, helping where requests are made for public aid, and linking complementary initiatives. Because great responsibility is involved the FRW recruits and trains only motivated workers, who accept an exhausting work rhythm.

5.18.8 Support for new initiatives

On the premise that no real development can take place without local creation of employment, FRW helps new initiatives:

- to come into existence. There are many projects, many ideas, many motivated people, but many only think and do not act. This is due to financial difficulties, management problems, isolation, particularly in sparsely populated regions, complicated regulations, lack of information, lack of education, difficulties in market research (the markets in rural regions are small, so it is necessary to export out of the region or out of the country, with all the difficulties which this involves);
- to get the aid needed, or for which they are eligible.
- to establish links with complementary initiatives; for example, to link organised food producers and organised consumers more directly.
- to follow up and support new initiatives: the "death rate" in the early years tends to be high.
- to coordinate private or public institutions, which can help the initiatives.

5.18.9 FRW provides this support in many ways:

- through meetings, attended by the representatives of the institutions concerned with the problem, public representatives, and the initiators themselves.
- through local working groups, on rural generation;
- through personal contacts;
- through possessing a good knowledge of the possible support services (with a synthesis of what they are doing and how to apply for help for them);
- through organising meetings between civil servants concerned with the problems and the new enterprises.

Address: Fondation Rurale de Wallonie
rue des Deportés, 140
6700 ARLON
Belgium

5.19 CASESTUDY: 19 - ANTUR TEIFI - UNITED KINGDOM (WALES)

5.19.1 Antur Teifi was founded in 1978 as a locally controlled community based development agency in a rural valley in South-West Wales. Though hampered by lack of resources it acted as a focal point of social and cultural development and in addition led to the creation of Cantref Teifi - a community business development company - which engages in the parallel development of the local economy. Supported from the outset by the local authority (Dyfed County Council), in 1984 the support of two governmental agencies - the Mid-Wales Development Board and the Welsh Development Agency - was gained.

5.19.2 A detailed development programme has been launched which includes initiatives:

- to support the further development of the Cantref Teifi company which has already shown that its style of approach can be successful with the setting up of TROSOL, a translation agency with a full time Translator/Manager, which employs a number of part time translators, and has both facsimile and computer link provisions.
- to sponsor a project which will investigate some of the problems encountered by the unemployed in a rural community and promote ways of overcoming them by developing initiatives in education and training with a view to helping participants eventually either find work or create their own employment. This project is funded by a government programme which encourages unemployed people to engage in voluntary work.
- to undertake training initiatives. Following the promotion by Antur Teifi of a course for women on computers at the University College in Lampeter in April 1984, which provided 20 women with an opportunity to obtain new skills and return to the job market, further courses will be planned and Antur Teifi is also to set up a support network for the women who have taken training.

Address: Antur Teifi
 Swyddfa'r Graig
 NEWCASTLE EMLYN
 Dyfed
 Wales

5.20 CASE STUDY: 20 - EIGEN WERK - NETHERLANDS

- 5.20.1 Sponsored by a local foundation (Stichting Werk, Inkomen en Zeggenschap) an 'Advice Collective' has been established in Dordrecht to help both unemployed persons and others seeking to start their own small-scale enterprises. It provides information and counselling on making business plans, financing, marketing, bookkeeping, and legal and tax matters. It also supplies information, advice and assistance on the establishment of voluntary projects for the unemployed and for the especially difficult transition from a voluntary project to a business enterprise.
- 5.20.2 In addition to individual or group advisory sessions, courses are provided both in start-up procedures and in marketing. Negotiations have been started with the local authority and with the Triodos Bank about the establishment of a loan fund.
- 5.20.3 The collective is open two days a week during office hours and on two evenings a month. The first consultation is free.
- 5.20.4 The sponsoring foundation has in its aims not only the quantitative improvement of work opportunities in the area but also improving the quality of work, especially in terms of compatibility with the human dimension and the preservation of the environment.

Address: Werk, Inkomen en Zeggenschap
Sluisweg 1
Postbus 623
3300AP Dordrecht
Netherlands

5.21. CASE STUDY: 21 - ENTREPRISE - BELGIUM

- 5.21.1 Entrepriise began as a not-for-profit association with four founders in Charleroi in 1980. By 1984 the association had some 120 members who benefit from receiving the professional services available at a reduced cost.
- 5.21.2 Inspired by the example of the first Boutique de Gestion in Lille in 1980 (see para 5.15) Entrepriise started a similar Boutique de Gestion in Brussels in 1981. This provides information, contacts, training and advisory services. It is managed by three individuals two of whom, also serve as principal staff members. They undertake research studies, training courses and advisory follow-up services for both existing enterprises and for those seeking to start. The Boutique also employs part-time staff (in all some 30) in an effort to maintain a wide range of specialist skills as well as to keep live contacts with the outside business environment.
- 5.21.3 During 1983 the Boutique received, on average, 18 enquiries per month and although more than half of these came from inside or around Brussels, the geographical range from which enquirers came was growing wider and included individuals and groups from several different parts of Belgium. In the same year some 25 enterprises were actively assisted, mostly involving one self-employed person. Over the years since the establishment of the Boutique it has helped to conserve approximately four hundred jobs through carrying out research and mounting special studies. However, as a result of reorganisation during 1983, these activities, which it was felt tended to confuse the image of the Boutique were reorganised and more efforts are now devoted to the running of seminars and training courses.

Address: ENTREPRISE - Boutique de Gestion
Boulevard de Dixmude 30A
1000 Brussels
Belgium

5.22 CASE STUDY; 22 - OSB - AUSTRIA

5.22.1 The Austrian Study and Advisory Association (OSB) was established in 1981 to provide information, training and advice on self-employment and self-managed enterprises. It is a non-party association for community benefit, with 400 members drawn from self-managed businesses, universities and research bodies, employers federations, trade unions, youth organisations, lawyers and industrial consultants.

5.22.2 OSB provides an information and documentation service as well as advisory sessions and training courses. It receives a grant from the Federal Ministry of Social Administration (which is responsible for employment matters) to employ labour market officers and development advisers. The labour market officers are responsible for a specific region in which they encourage local employment initiatives by providing information on successful undertakings elsewhere, on financing possibilities and on the most appropriate organisational forms of enterprises. They follow up and support initiatives which are starting up, as well as established enterprises which need to make major changes. The development advisers go into action when the start-up plans have been agreed, or take-over groups have been set up (in cases of insolvent firms), with the tasks of checking whether the proposed production programmes are feasible and marketable, helping in working out business plans, making applications for assistance, and helping to adapt organisation and management structures. In addition OSB has a panel of specialists whose services can be called on.

5.22.3 OSB is particularly concerned to assist groups of disadvantaged people in setting up enterprises, for which special grants are available. Such groups include youth, foreign women and youth, women without qualifications, the handicapped, long-term unemployed, ex-offenders, and vagrants.

Address: Osterreichische Studien und
Beratungsgesellschaft:
Alternativ und Sanierungskonzepte fuer
Regionen und Betriebe
1070 Vienna
Neubaugasse 64-66/3/7
Austria

5.23 CASE STUDY: 23 - VALESEM - BELGIUM

- 5.23.1 During 1981 and 1982 two bodies with linked objectives and overlapping membership were established in the triangle between the Rivers Sambre and Meuse, and the French frontier. This area, of some 190,000 hectares to the Southwest of Namur, has 110,000 inhabitants scattered across 130 villages and small towns. It has a largely agricultural and rural economy. The two bodies, one a not-for-profit association and the other a cooperative society, had the aim of mobilising all available local resources, material and human, public and private, in order to undertake the integrated socio-economic and cultural development of the region.
- 5.23.2 Valesem is the instrument they formed to achieve this aim. It consists of three approaches:
- the provision of finance for small and medium enterprises through a guarantee fund for those seeking bank and other credits;
 - the provision of venture capital in the form of credits, advances or equity holdings in enterprises;
 - advisory and follow-up services, including feasibility studies, management assistance, product research etc.
- 5.23.3 Money for the guarantee fund is raised by soliciting loans from local sources; money for investment is raised by share capital in the cooperative. Loans to the association are accepted in units of 5000 Belgian Francs and are repayable in 5 years at BF 6200. Shares for the cooperatives are also sold at the price of BF 5000 each.
- 5.23.4 Valesem is managed by a board of 15 members elected at the annual general meeting.

Address: Valesem
Maison Communale
6458 Froidchapelle
Belgium

5.24 CASE STUDY: 24 - LOCAL ENTERPRISE ADVISORY PROJECT - UNITED KINGDOM - (SCOTLAND)

- 5.24.1 The Local Enterprise Advisory Project (LEAP) was established in 1978 to provide general information on and promote the establishment of, community cooperatives and businesses, and to provide training. Inspired by a programme of support for community cooperatives in the remoter highlands and islands of Scotland first established by a government body (the Highlands and Islands Development Board) in 1977, a number of groups of unemployed people in the more urban and industrial areas of Scotland had started to consider how they might develop community businesses which would be owned and controlled by the local community, and provide self-supporting jobs for local people. Any profits made from business activities would go to create more employment, to provide local services or assist other schemes of community benefit. The intention behind LEAP was to assist these groups and promote others, in the West of Scotland, working from a base in a college in Paisley.
- 5.24.2 Much of LEAP's information work is done by its staff going out to talk with individuals, community groups and groups of unemployed people. They have utilised videos and tapes as well as information kits, some of which were produced in conjunction with programmes from the local radio station. Fieldwork has tended to be concentrated in specific areas. Several of these areas are around Glasgow and have an exceptionally high and long standing levels of unemployment. Both production and retailing businesses have been helped into existence as well as a workspace project involving the conversion of a disused school into 27 small work-spaces which are available on easy terms to new entrepreneurs for whom common services are provided.
- 5.24.3 In most cases the LEAP fieldworker cooperates closely with a small group of committed local people who also may have the support of a local community worker. Education and training has taken the form of short 1 - 2 day courses as well as more specialised training for persons taking on specific tasks in community businesses such as financial planning, personnel work, running meetings, legal aspects, trade union relationships. In addition in-service training in business methods and management has been provided for local community workers who usually come from a social work background.

5.24.4 LEAP also established a 'consultancy fund' from which it could provide small sums - usually less than £1000 - to help groups at an early stage of planning their community business projects.

5.24.5 As the relevance and usefulness of the community businesses concept came to be demonstrated in this area of industrial decline, LEAP came to play an ever increasingly important role in its overall economic and social development. In 1983/4 the Strathclyde Regional Council undertook a reorganisation of its whole programme for economic and community development in the region. Consequently, the functions of LEAP which had been established initially only for a limited experimental period were taken over - and considerably extended - in 1984 by the Strathclyde Community Business Limited, financed by local and central government agencies and the private sector, with resources which enable it not only to promote and assist community enterprises, but also to provide major finance for them.

Address: Strathclyde Community Business Limited
6 Harmony Row
Govan
Glasgow G51

5.25 CASE STUDY: 25 - NETZWERK SELBSTHILFE - GERMANY

5.25.1 The Selfhelp Network was established in 1978 to enable those affected by unemployment in the usual sense as well as those 'banned' from certain jobs on ideological grounds (Berufsverbot) to find work in self-managed political and alternative projects. The movement has its headquarters and almost half its membership in Berlin.

5.25.2 Members who can afford it, whether they are in the alternative projects or otherwise employed, pay regular amounts into a common fund which is then used to finance and support projects and initiatives which respond to agreed criteria:

- not for private profit;
- practising democratic self-government;
- providing models of alternative and innovative life-styles;
- cooperating rather than competing with other similar projects;
- likely to provide continuity in personnel and organisation and, if possible, eventual economic viability.

In its first three years the Network in Berlin provided about 1 million D.Marks for some 100 projects.

5.25.3 There are some 30 other local networks in German cities and the idea has also been taken up in other German speaking countries.

5.25.4 The projects which belong to and have been helped by the Network cover a wide field of different activities in both manufacturing and service sectors as well as in the cultural and social fields. Those who subscribe to the Network financially by monthly, quarterly or yearly payments can indicate, if they wish in which type of activity they wish their money to be used: the choice includes town planning, politics, womens work, legal rights, theatre and music, handicrafts, ecological projects, media and press; bookshops, publishers and printing, educational projects, social therapy, citizen participation, neighbourhood work.

5.25.5 The Berlin headquarters are housed in large old factory buildings where a number of the initiatives have their own workspace and premises. One of these is responsible for publishing the Berlin directory of some 2000 alternative projects under the title 'Stattbuch'. Network also publishes its own bulletin.

Address: Netzwerk Selbsthilfe
Gneisenaustrasse 2
1000 Berlin 61
Germany

5.26 CASE STUDY: 26 - MEMO - NETHERLANDS

- 5.26.1 MeMo stands for Mens-en Milieuvriendelijk Ondernemen - undertakings which favour people and the environment. It is an 'umbrella' movement with its historical roots in the youth/hippy/provos activity of the 1960s and 1970s. It provides a focus and in some cases, direct support for some 1500 small-scale initiatives in both manufacturing and service sectors.
- 5.26.2 MeMo started in 1975 when an agricultural cooperative made an appeal for funds through a Dutch ecological journal. The response was larger than expected and the money surplus to the requirements of the cooperative became the basis of MeMo funding of new initiatives. The fund has been maintained by private subscribers who are prepared to lend money at nil or low rates of interest, up to a maximum of 5%. Loans from the fund are made at a rate somewhat lower than the current bank rate.
- 5.26.3 MeMo employs some 15 people (full-time, part-time and volunteers) in its Amsterdam office and also has a number (50 - 100) of volunteer advisers and counsellors in different parts of the country. Advice is provided on practical matters of start-up, accountancy, making business plans, marketing etc.
- 5.26.4 Publications are issued on how to start small businesses and to become self-employed, and an annual directory is produced listing all the enterprises linked to MeMo, together with information about their products. A journal, MeMo-krant, is published 10 times a year with a circulation of some 10,000.
- 5.26.5 MeMo has started a training centre for small-scale entrepreneurs in Dronten and with the cooperation of the local municipality, is planning to build a complex of houses and workspaces there on land reclaimed from the sea.

Address: Stichting MeMo
Damrak 37
1012 LK Amsterdam
Netherlands

6.

CONCLUSIONS

6.1

As this study was being completed, a parallel study for the Commission on support agencies for local employment initiatives appeared. It described in considerable detail a number of support structures, some of which share many characteristics with those described in the present study. In its conclusions it indicated that different types of support agencies provided different ranges and intensities of assistance, some confining themselves to initial advice and others seeing their task as continuing over a longer term. An even wider range and variety of services will be evident from the examples cited in the present study, the main purpose of which is to outline what are the overall tasks and functions of an intermediate support structure, and to point out practical steps which have to be taken in setting up such a structure.

6.2

The examples in this study include some in which local (governmental) authorities play the main role, others which are dependent more on the private sector of industry, and others again which derive their rationale and their dynamic from a specific ideology or approach held by a group of like-minded persons, frequently structured as some form of autonomous or self-managed cooperative society. There appears also to be a number of intermediate and support structure which are of 'mixed' parentage, in which both public and private bodies join together to provide a comprehensive service. The case study from Cardiff (para 5.14) is a good example of this approach. Cooperation, however, between groups which are primarily motivated by the principles inherent in traditional forms of business and those who see themselves as following 'alternative' or 'not-for-profit' principles in their efforts to provide productive employment through developing comprehensive services for all types of LEI under one organisational umbrella is clearly more difficult and therefore currently, correspondingly rarer. Thus, in the future, there are likely to be more support structures which specialise along one or other of these axes, although more and more of the local initiatives themselves may take a compromise or comprehensive position and be able to find adequate and acceptable advice and support from a comprehensive and catholic (in the strict sense of the word) supporting structure. For comprehensive support structures there are evident

economies to be made in the use of premises, and in the corresponding convenience of having a 'one-stop support centre available to all'. perhaps more importantly such structures can offer advantages in terms of availability of expertise, combined with local knowledge of resources, markets and contacts.

- 6.3 One conclusion which can be drawn from all this - or rather confirmed, for it has been enunciated in several previous studies both national and international, is that, whatever the type and scope of the support service offered the local government authority has an important role to play. Indeed, if the support structure is to be a comprehensive rather than a partial one, the role of a local authority is essential.
- 6.4 This however raises the question of which local authority - commune, municipal, district, county, province, region? The response to it will depend in general on the size of the area to be covered, the socio-economic geography and its alignment or otherwise with the administrative boundaries as well as on the differing roles and responsibilities of local authorities in the different national administrative patterns.
- 6.5 There is however a correlation between the possibility of a local authority initiating and running a support structure, and its degree of autonomy especially insofar as it is able to produce its own revenue, by local taxation. It seems, for example, that local authorities already play a more significant role in the UK (where there is enabling local government legislation permitting them to utilise the product of a limited amount of local taxation (rates) for such activities as employment creation) and in countries like France and Italy (where regional authorities have control over large amounts of financial allocation), than in other countries where local authorities, while retaining considerable powers and responsibilities, find that their financial freedom is more limited. A somewhat different approach can be found where the central government has specific policies and financial allocations for the encouragement and support of local employment initiatives and arrangements are made for this programme to be administered locally.

6.6 If the main role of local authorities in creating and maintaining support structures is clearly important, the active initiative of the private sector of commerce and industry is also evident in a limited number of countries. To some extent no doubt inspired by the example of the USA where such bodies as the Local Initiative Support Cooperation (LISC), launched some years ago by the Ford Foundation, have succeeded in eliciting vast sums of money from business corporations on both a national and a local level, private corporations have also been active. In the UK for example such efforts have been made at a national level to create such bodies as Business in the Community and the Action Resource Centre. The former promotes the formation of local enterprise agencies (see para 5.14) while the latter assists LEIs through arranging for secondments of skilled personnel from private industry. Similar efforts have been begun in the Netherlands. Elsewhere, such as in France and Italy, private sector intervention has tended to be restricted to individual firms and separate local undertakings, with no national level of promotion or organisation.

6.7 The part played by trade unions and workers' organisations in creating support structures has, in general, been a smaller one. This may be because they have been reluctant to accept the need for a new and, in comparison with the old pattern of large-scale industrial units with large concentrations of workers, fragmented pattern of employment and self-employment. In addition, they may be concerned that small-scale enterprises are in danger of accepting lower conditions of work and remuneration than have been achieved through large-scale collective bargaining. However, where trade unions have helped to create support structures, as in Italy and the UK, these structures have not unnaturally been focused on helping in the creation of cooperative types of local initiative, thus maintaining the historical links between the workers' and the cooperative movements.

6.8 A fourth important ingredient in the making of support structures is comprised of the multiplicity of local associations, non-governmental or voluntary agencies. For many of them, the move into the field of employment initiatives is something

of a departure from their traditional interests in recreation, welfare, culture and other fields. It is through these organisations that the key element of local people's participation tends to take place. Among them two forms of association play an increasingly large part. One consists of the groups of unemployed people who move into the creation of employment from their original concerns with ensuring that they and their fellows have adequate information on, and access to, benefit and welfare rights, or in some instances, suitable provision in the form of recreation or voluntary work to fill part at least of their enforced time out of work. The second and sometimes overlapping group is that of those who seek 'alternative' ways of life. The very fact that the collective title is that of 'alternative' indicates that there is no single direction in which such groups are moving. Some attach major importance to environmental conservation and improvement, others to particular options for organising their social and economic way of life, so as to avoid the negative aspects of the conventional citizen's daily life. Again it appears logical that many of these groups aim to help establish cooperative societies with a maximum level of member participation in planning, decision making and operational activity. Indeed the accession of many differing alternative groups to the cooperative movement has in some countries, such as Belgium, introduced a dynamic element of innovation and unorthodoxy.

6.9

These various strands of opinion and activity have to be woven into an effective instrument which can supply the backing and services outlined in the first parts of this study. Hence, behind each support structure there is a need for a skilled process of community development which transcends many of the limitations of those who in the past had been involved in it, making local people aware of the needs and possibilities of facilitating contacts between them; supplying administrative, legal and technical information; forging links with those who hold resources (such as land, premises, finance and know-how). It is in this context that the recruitment, training and employment of 'development agents', to use the generic term adopted by the Commission, is of such importance. Advice and support structures, to repeat the old truism, are as good as and no better than the persons who work in them. By themselves, goodwill and the desire to help are not enough; nor is a wealth of commercial or industrial experience and high level of technical or managerial skill. The advice and support structures that will be able to

assist local employment initiatives need to have a foot in both worlds, of business efficiency and of the world of human solidarity and community development. This is the challenge which has to be faced by those who seek to put into practice the experience, methods and procedures outlined in this study.

ANNEXES AND BIBLIOGRAPHY

ANNEX 1: SUMMARIES OF PARALLEL STUDIES

1. Business Schools and Management Centres

1.1 The European Foundation for Management Development (EFMD) sent questionnaires to over 40 business schools and management centres in 14 countries during 1982/83. A report (by Gay Hoskins, August 1983) showed that the topics relating to small business start-ups which it was felt should be emphasised in training courses were:

- marketing and selling;
- finance, accounting, budgetting and forecasting;
- general management;
- strategy and planning;
- personnel management (especially team work, delegation and personnel planning);
- new technologies/research and development;
- export management;
- legal contracts.

It was also emphasised that learning should be through practical examples; that the mixture of case study and theory should be adapted to the specific needs and problems of participants; that the course atmosphere should encourage participation; that there should be an integration of training and counselling; and that courses should be short and inexpensive.

1.2 The interim report of the EFMD study, produced for the Commission concentrates on three countries: UK, France and Germany, and proposes 6 towns for further detailed study: Bristol, Sunderland, Bordeaux, St. Etienne, Duisburg, Stuttgart.

The study defines 5 types of 'customers' requiring assistance, identifies 4 needs on which assistance may be needed (ability, motivation, ideas-market, resources)

and 4 activities through which assistance may be offered. These are shown on two matrices, reproduced below. The study also identifies in diagrammatic form potential local suppliers for such assistance, also reproduced below, as Diagram 1.

M A T R I X 1:

POTENTIAL CUSTOMERS FOR ASSISTANCE AND THEIR NEEDS

	ABILITIES	MOTIVATION	IDEAS (MARKET)	RESOURCES
CUSTOMERS				
GENERAL PUBLIC				
ASSISTANCE ORGANISATIONS				
POSSIBLE ENTREPRENEURS				
POTENTIAL ENTREPRENEURS				
POST-STARTERS (POTENTIAL SURVIVORS)				

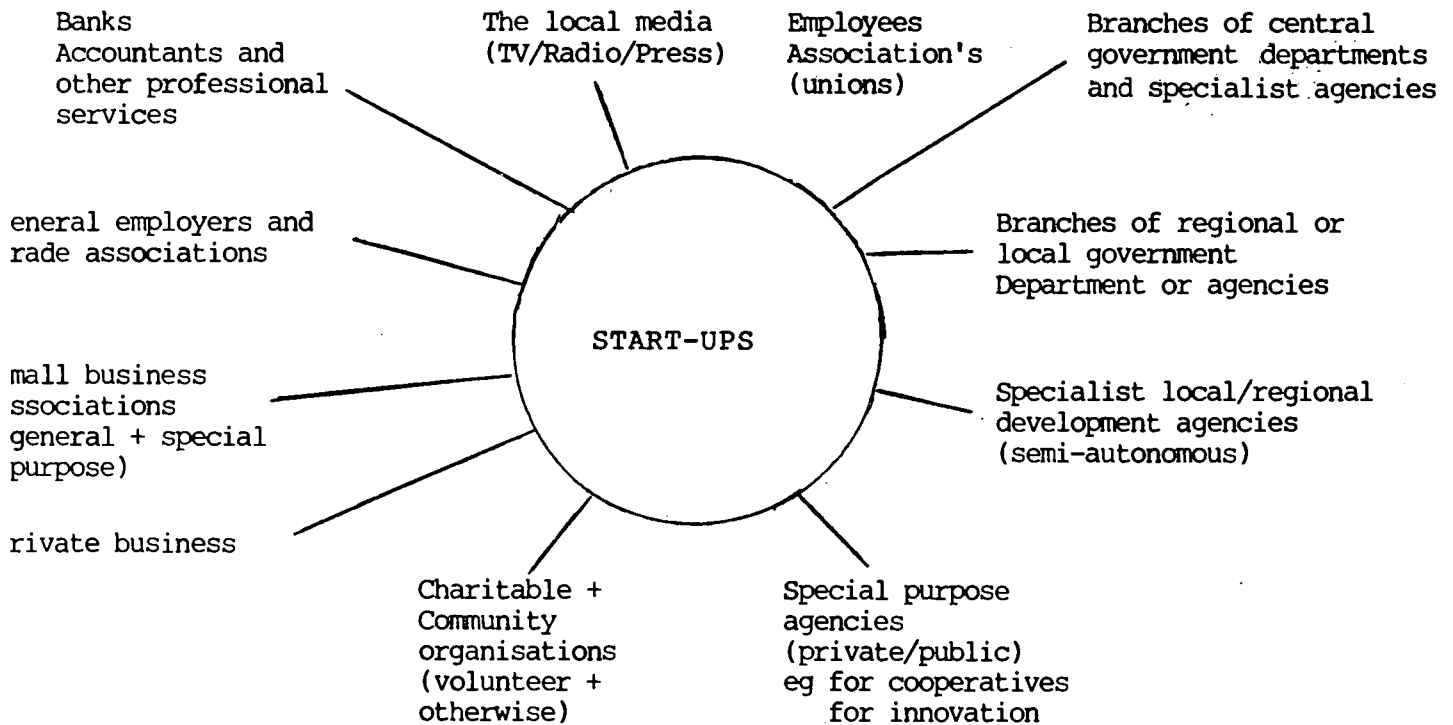
M A T R I X 2:

ASSISTANCE ACTIVITIES

	INFORMATION ADVICE	COUNSELLING CONSULTING	EDUCATION TRAINING	ACCESS TO CREDIT
CUSTOMERS				
GENERAL PUBLIC				
ASSISTANCE ORGANISATIONS				
POSSIBLE ENTREPRENEURS				
POTENTIAL ENTREPRENEURS				
POST-STARTERS (POTENTIAL SURVIVORS)				

D I A G R A M 1

LOCAL AGENCIES WHICH CAN POTENTIALLY SUPPLY
START-UP BUSINESS ASSISTANCE



2. Workers Cooperatives

2.1 UK

2.1.1 Commission Study No. 81/39 (1) undertaken the Mutual Aid Centre, London, identified the following as "the most valuable services a support organisation for cooperatives (in the UK) can offer":

- finding sources of capital;
- advising on a suitable constitution;
- registering under the relevant Act of Parliament;
- helping people to identify markets and carrying out feasibility studies;
- training managers;
- helping the group to learn how to operate as a group and make decisions
- providing legal and accounting services;
- acting as an intermediary with banks, government departments, local authorities and the professions;
- setting up nursery units in which new cooperatives can grow embryonically before going out on their own;
- finding suitable premises.

2.1.2 In addition the study suggests that there is a public relations function to be performed by such organisations, to influence the government and the public in favour of workers' cooperatives and to campaign for the appropriate legislative and banking framework.

2.1.3 The study lists of the following national bodies being active in:

- The Industrial Common Ownership Movement (ICOM) founded in 1971;
- The Cooperative Development Agency (CDA) established 1978 by Act of parliament;
- Job Ownership Ltd. (JOL) inspired by the example of the Mondragon Cooperatives in Spain;

Notes: (1) "Workers Cooperatives and their Environment: Comparative analysis with a view to job creation"
M. Rigge and M. Young

- The Cooperative Union (CU), which, although mainly concerned with serving cooperative retail societies, incorporates the Cooperative Productive Foundation (CPF) established at the end of the 19th century.

It also lists the Scottish Cooperatives Development Committee (SCDC) and notes what is called "the jungle growth" of local cooperative development agencies.

2.1.4 Other bodies which the study also describes in some detail include:

- the Cooperative Party, which is the political arm of the Cooperative Union;
- the Cooperative Bank;
- trade unions supporting workers' cooperatives, including in particular the Transport and General Workers' Union (TGWU) and the Wales Trade Union Congress which, inspired by a visit to Mondragon, adopted a policy of active support for workers' cooperatives and in pursuit of this established a Wales Cooperative Development and Resource Centre;
- Beechwood College, Leeds, formerly the educational arm of ICOM, which provides training courses and undertakes consultative work and publications;
- the Plunkett Foundation for Cooperative Studies which provides research and consultancy, education and training, statistical analysis, library and information services.
- the Cooperative Research Unit of the Open University.

The study called for a new federal body comprising most of these organisations.

2.2 IRELAND

- 2.2.1 Study 81/39, while identifying a number of bodies which had contributed in the past to the development of cooperatives, and in particular of agricultural cooperatives, in Ireland, concluded "that very little is specifically geared to the needs of worker cooperatives."
- 2.2.2 It briefly reviewed the general support given to various types of local employment initiatives, including cooperatives, from such bodies as the Industrial Development Authority; Udaras na Gaeltachta (responsible since the mid-1960s for community cooperation in the West of Ireland) Foróige (National

Youth Development Organisation), which runs a Youth Cooperative Education Programme and has helped to set up over 40 JCE cooperatives by July 1982; and the Bank of Ireland Centre for Cooperative Studies set up in 1980 at University College, Cork. Following a seminar held at the Cork centre in June 1982 (as part of the Commission's series of consultations on local employment initiatives) some new initiatives have been taken for providing more adequate support services along the lines suggested in the publication based on the seminar. (2)

2.3 THE NETHERLANDS

2.3.1 Although, as Study 81/39 makes clear, the Netherlands has, in the Centrale Raobank, (which has 3,000 local branches and assets of almost 100 DFL) one of the largest cooperative banking institutions in Europe, the workers' cooperative movement is small.

2.3.2 The main support body is a federation of cooperatives created in 1959. ABC (Associate van Bedrijven op Cooperatieve grondslag: Association of Businesses formed on a Cooperative basis). It is seeking to secure a more favourable legislative framework for worker cooperatives and for improved fiscal conditions. Limited by lack of staff, it did not succeed in keeping pace with the assumed actual increase in the number of worker cooperatives. By 1982 it was estimated that some 400 existed in the Netherlands, while the ABC membership stood at 45, having risen from 8 in 1976. In 1982 ABC was given DFL 500,000 a year for 4 years by the government to take on full-time professional staff and expand its support services.

2.4 FRANCE

2.4.1 At the time that Study No. 81/38 was published by the Commission (3) most of the worker cooperatives (Societes Cooperatives Ouvrieres de Production - SCOP) of which there were already over 1000 by 1982, were affiliated to the Confederation Generale de SCOP. The confederation, which is organised administratively in 11 regions, has links with other cooperative

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- Notes: (2) M. Linehan and V. Tucker
"Workers' Cooperatives, potential and problems"
Centre for Cooperative Studies, University of Cork
1983 256p.
- (3) Les Coopératives de production et leur environnement
analyse comparative en vue de la création d'emplois.
Ten Coopérative de Conseils, Paris.

organisations (agricultural, consumers, etc) as well as with the French Bank of Cooperative Credit and other cooperative financial institutions.

2.4.2 Since 1975 the confederation, through its regional bodies has provided the following services to its affiliates:

- compilation and analysis of balance sheets and income and expenditure accounts annually;
- management support, in particular by:
 - i) analytical surveys of cooperative enterprises, undertaken either by specialist staff or external consultants;
 - ii) assistance in finding finance in cases of difficulty;
 - iii) provision of temporary managers to fill gaps (or at start-up) until permanent staff can be found. The confederation has a special officer responsible for recruitment of managerial staff for cooperatives;
 - iv) working out finance plans in cooperation with financing institutions;
 - v) provision of management and accountancy systems with the assistance of external consultants;
 - vi) specific action on, request by cooperatives;
 - vii) general follow-up of cooperatives.
- legal advice and support - this and management support occupies 25% of the time spent on support generally;
- training, of which there are 5 main courses:
 - i) understanding cooperative enterprise: 3 day basic course;
 - ii) group management of cooperative enterprise: 14-day courses for committee members;
 - iii) training of cooperative organisers: 5-day courses;
 - iv) practise direction of a cooperative enterprise: 15-day courses of a comprehensive nature;

- v) supplementary course in enterprise management: 46 days, spread over 3 years, for directors and managers.

- 2.4.3 Through the regional bodies, the confederation assists at all stages of start-up: discussion of initial ideas; working out a launching plan; legal constitution; search for funding. Especially in large and more difficult cases, such as the take-over of a firm in difficulties, external consultants are often used. About 25% of the Confederation's working time is spent on the establishment of new cooperatives.
- 2.4.4 In 1972 the confederation set up a development and start-up fund, SOCODEN - FEC. It is made up of 1% of the annual turnover, after tax of affiliated societies: this is one third of their subscription to the confederation, the rest being used to help finance the confederation itself. The fund is allocated in the form of loans over 7 years at a rate of interest slightly lower than the market rate. There is a limit of 1 million French Francs, but no guarantees are required. In its first ten years since, the fund made 365 loans to a total of FF 47.7 millions. Of this nearly one-quarter was made in 1981. The loans were used in three, almost equal ways: to develop existing cooperatives, to start new cooperatives and to assist cooperatives in difficulties.
- 2.4.5 The most complete, significant and methodical form of intervention by the Confederation is in the cases of cooperative take-over of a failing enterprise. It has analysed the different kinds of activity this involves.

2.5 ITALY

- 2.5.1 According to Study 81/38, the two largest organisations of worker cooperatives in Italy, La Lega Nazionale della Cooperativa e Mutue (Lega) and the Confederazione Cooperativa Italiane (Confederazione) both provide extensive support services for workers cooperatives and do this through specialised agencies.
- 2.5.2 In the case of the Lega, which covers all kinds of cooperatives - agricultural, consumers, workers etc - a number of support services, (legal, legislative etc) are available. In addition there are the advisory and support services supplied through two of its specialised associations: Associazione Nazionale della Cooperative di Produzione e Lavora (ANCPL) and Associazione Nazionale della Cooperative di Servizi (ANLS). ANCPL has some 1500 cooperatives in membership, the majority in building

construction and public works and the rest in eight other industrial sectors. ANCS, a more recent creation, and rapidly growing, has over 1200 cooperatives in membership.

2.5.3 Working through regional and provincial branches, ANCPL has 150 full-time staff. Its main functions are:

- general organisation, including a policy-making congress every 3 years;
- representation and promotion, especially at national level;
- technical support and services through both staff members and external consultants, including market investigation, export services, collective purchasing, research and experiments in building and construction techniques. Such services are provided by consortia specialising in specific aspects;
- financial support. In addition to advice and mobilising resources from, for example, the National Labour Bank, a special mutual loan fund (FINCOOPER) exists which can make loans of up to Lire 4 million to a society;
- audit. This is compulsory every 3 years and is paid for by statutory funding. The Lega has some 800 approved auditors either on its payroll or under contract;
- training.

ANCS provides similar services for its affiliates.

2.5.4 The Confederazione, which is more to the right politically than the Lega, is similarly organised. Its specialised body for worker cooperatives is FEDERLAVORO which in 1981 had over 2000 societies in membership of which almost half were in the construction industry. It provides services similar to those provided by ANCPL, namely organisation, policy-making, representation, promotion generally, together with specific financial and legal services, including shared accountancy services and technical assistance through specialised consortia. Like the Lega, the Confederazione has some 300 approved auditors, for which it is given a statutory grant. It works through regional and provincial organisations and has some 725 employees of whom 18 work full-time for FEDERLAVORO. In addition there are the technical consortia which operate not only in building and construction, but also in such sectors as caretaking and security personnel, reusable energy advisory and research services, architectural planning and new construction techniques.

AUSTRIA(A.1) BUNDESMINISTERIUM FUR SOZIALE VERWALTUNG"Betriebliche Selbstverwaltung in Oesterreich"

Forschungsberichte aus Sozial-o. Arbeitsmarktpolitik
No. 3 1983, 172p.

An account of the development of industrial self-management, including 4 studies of local initiatives and a résumé of experience from Germany, Netherlands, Italy and UK. Foreword by Federal Minister.

(A.2) BUNDESMINISTERIUM FUR SOZIALE VERWALTUNG"Unseren Arbeitsplatz Schaffen Wir Uns Selbst"

Report on proposed new measures to promote self-management in Austria. March 1984, 40p.

(A.3) M. KOCH, R. NAGEL, K. ZEHETNER"Einsatz von Fachleuten zur Beratung u. Betreuung von Selbsthilfeprojekten"

A study for the Federal Ministry of Social Administration, Vienna. September 1983, 121p.

The final report of a study of local initiatives, including how they are supported, the difficulties encountered and the scope of their activities. 48 case-studies of individual initiatives and a bibliography.

(A.4) A. MAUERHOFER (ed)"Arbeiterselbstverwaltung: Neue ansaetze zu einem alten Vorhaben"

Oesterreichische Studien u. Beratungsgesellschaft.
Vienna May 1983. 57p.

Reveiw of workers' self-management in Austria with special emphasis on workers' cooperatives and consumer cooperatives in relation to political theory.

(A.5) K. ZEHETNER R. NAGEL"Lokale Beschäftigungsinitiativen Oesterreichs"

A study for the Federal Ministry of Social Administration Vienna, 1984, 220p.

An inventory of 39 local employment initiatives listed by sector: agriculture, tourism, handicrafts, consumer groups, self-management take-overs, social services.

BELGIUM(B.1) ENTREPRISE

"Rapport d'Activités 1983- Perspective 1984-1985"

Brussels, April 1984, 54p.

Report on this Boutique de Gestion's activities and projected work.

(B.2) FONDATION ANDRE OLLEFFE

"Pourquoi et comment constituer une société coopérative"

Brussels, 4th edition, 1983

A practical manual on how to establish local employment initiatives on cooperative principles: contains relevant legal and financial laws and regulations: it is produced as a training aid.

(B.3) FONDATION RURALE DE WALLONIE

"Ruralités Nouvelles"

Quarterly review, Arlon. See issue 12, 4th quarter 1983: "Préparez la naissance de votre entreprise"

Concerns pre-start-up activity for the creation of new rural enterprises.

(B.4) SOLIDARITE DES ALTERNATIVES WALLONNES

"Alternatives Wallonnes" Monthly review,

Monthly review, M. Delespesse (ed.), Charleroi.

Both factual and discussion articles on cooperatives and other forms of local employment initiatives in Wallonia.

(B.5) J.P. SOTTIAUX

"Support Services and Technical Assistance: the Experience of the Fondation Rurale de Wallonie in this Field"

European Centre for Work and Society, Maastricht, Netherlands, February 1983, 9p.

FRANCE(F.1) A.R.I.A.N.E (ASSOCIATION RECHERCHE ET INFORMATIONS
AUX NOUVEAUX ENTREPRENEURS)

"Des Outils pour Créer; Guide Pratique pour une
Autre Entreprise"

Marcq-en-Baroeul, 1982, 166p.

A how-to-do-it manual for people who want to establish enterprises with innovative objectives and methods. Based on practical experience, it is a collaborative effort by many contributors to provide a tool to be used against unemployment.

(F.2) AUTREMENT

"Dix heures par jour...(avec passion)"

Issue No 34, October 1981, of the periodical
'Autrement', Paris, 234p.

This issue is devoted to alternative groups of all kinds, urban and rural, cooperatives and self-employed artisans, as well as bodies such as 'Boutiques de Gestion', aiming to promote and support new forms of local initiatives.

(F.3) AUTREMENT

"Un autre modèle de travail, un autre modèle
d'entreprise"

Paris, November 1981, 164p.

Report of a conference held at Nancy at which different groups discussed legal forms, products, management, social work, social economy, education and training, new financing networks.

(F.4) DÉLÉGATION À L'EMPLOI

"Emploi d'utilité collective et actions expérimentales pour la promotion de l'emploi"

Paris, 1 January 1981, 226p.

A selection of project descriptions and evaluations from the programme of local community employment which in 1979/80 brought about the creation of 3000 jobs.

(F.5) E.S.P.A.C.E.

"Développement et pilotage d'un système d'aide à la création et au suivi de petites entreprises à l'échelle de la Région Nord-Pas-de-Calais"

Marcq-en-Baroeul, December 1983, 30p.

A Boutique de Gestion's report on its start-up and follow-up work with local small businesses in Northern France.

(F.6) J.P. MURET, C. NEUSCHWANDER, H. SIBILLE

"L'Économie et les emplois"

Syros, Paris, 1983, 245p.

Guide on new areas of activity for those engaged in and those helping new employment initiatives, using practical experience.

(F.7) S.C.E.I.P.

"La collecte locale d'épargne pour le maintien et la création d'emplois"

Paris, 1981, 105p.

A study undertaken in Besançon of 15 local projects financed by different ways of using local savings. The conclusion emphasises the need for bringing together both public and private, local and national financial resources to provide the funds needed for local initiatives.

GERMANY

(G.1) NETZWERK SELBSTHILFE

"Netzwerk Rundbrief"

Monthly newsletter, Berlin.

The journal of the self-help network.

IRELAND(I.1) N. GREENE

"A different kind of agency in Ireland"

"initiatives", February 1983, issue 4, p.6.
The journal of the Centre for Employment Initiatives, London.

A report on community enterprise activity by the Youth Employment Agency in 1983.

(I.2) M. LINEHAN, V. TUCKER

"Workers' coopeatives; potential and problems"

Centre for Cooperative Studies, Cork, 1983, 256p.

A wide-ranging survey of the potential and problems of workers' cooperatives in Ireland.

ITALY

(IT.1) CENTRO DI RICERCHE ECONOMICHE E SOCIALI PER IL
MERIDIONE

"Notiziario CRESM"

Regular newsheet, Lioni (Avellino)

Bulletin reporting on developments and plans in
the employment initiative field in Southern Italy.

NETHERLANDS

(N.1) STICHTING ECONOMISCH INSTITUUT

"Groot Helpt Klein"

1984. 210p.

Stichting Economisch Instituut, Tilburg.

Account of the help provided by large enterprises and public bodies to small enterprises.

PORTUGAL(P.1) POSTO DE TRABALHO

Bulletin available from

Posto de Trabalho, EMEDEME, Tr. do Giestal 40-7
1300 Lisbon

Newsheet on alternative cooperative businesses.

(P.2) UNIAO DE COOPERATIVAS

"ARNOVO"

Bulletin available from

Est. de Outorela, Lotes 20-21, 2795 Carnaxide

Newsheet of the portuguese union of cooperatives.

UNITED KINGDOM(U. 1) ASSOCIATION OF DISTRICT COUNCILS

"The best way to do it locally"

Series of papers, first published in 1982, regularly updated. Nos 1-10, available from

The Association of District Councils,
9 Buckingham Gate, London SW1E 6LE

How-to-do-it papers for people wishing to set up local employment initiatives in various fields.

(U.2) CENTRE FOR EMPLOYMENT INITIATIVES

"Beating unemployment"

London, 1984, 90p.

A new, extensive practical guide for fighting unemployment through employment initiatives of all kinds.

(U.3) CENTRE FOR EMPLOYMENT INITIATIVES

"initiatives" quarterly journal, various articles but especially

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by Stephen O'Brien |
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by John Pearce |
| No 8 | p. 21 | "The Barnsley Enterprise Centre"
by Michael Wedgeworth |
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by Michael Boddington |

(U.4) DELOITTE HASKINS & SELLS

"Local Enterprise Agencies"

London, 1984.

Up-to-date overview of the operations of local enterprise agencies, both for prospective clients and for those looking into the case for either supporting or setting up an agency.

(U.5) GULBENKIAN FOUNDATION

"Whose business is business?"

London, 1981, 110p.

A study of community businesses and enterprises, together with sources of technical and financial assistance available. Argues for the feasibility of a government-supported development fund to aid local employment initiatives among the unemployed.

(U.6) GULBENKIAN FOUNDATION

"Community business works"

London 1982, 42p.

Report of working group of practitioners & researchers into development of community-based initiatives with both economic and social objectives. Recommends that local government authorities should play an active role in promoting and supporting such initiatives.

(U.7) B.KNIGHT, R. HAYES

"The self-help economy"

The need for training, support and acceptance of official responsibility are emphasised in a study of 9 local initiatives in the London area.

(U.8) NATIONAL COUNCIL FOR VOLUNTARY SERVICE

"Employment project pack"

London, 1984.

An information pack aimed at voluntary organisations concerned with action on unemployment, based on case studies.

Programme of research and actions on the development of the labour market; local employment initiatives — a manual on intermediary and support organizations

Main report by the Centre for Employment Initiatives, London
Project Manager: Peter Kuenstler

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