

## **Use of the Co-op Index Diagnostic Tool to Strengthen Internalization of Cooperative Principles and Values Within Cuba's Farmer Cooperatives**

Wendy Holm,  
MMCCU, Saint Mary's University, Halifax  
[wendy@wendyholm.com](mailto:wendy@wendyholm.com)

**ABSTRACT:** An out-of-tune piano can play Mozart, but its full potential can only be realized by a well-tuned instrument. The Co-op Index allows coops to fine-tune their understanding and integration of ICA coop principles at both the enterprise and associative levels. In 2011, the Cuban government enacted policy guidelines to modernize their economy through support for worker cooperatives in areas formerly served by the state. Strengthening private farmer cooperatives – an anchor of Cuban food security – is a key part of this strategy. This paper presents an overview of how the Co-op Index will be used as part of an international project led by Saint Mary's University to strengthen the internalization of co-op principles in Cuba's private farmer cooperatives.

### SUMMARY:

In March of 2011, the Cuban government issued Los Lineamientos (Communist Party of Cuba, 2011), new policy guidelines that, among other things, are intended to modernize the Cuban economy through support for worker co-operatives in areas formerly served by the state. Strengthening farm co-operatives – long an anchor of Cuban food security – is a crucial aspect of this strategy.

This paper presents an overview of how the Co-op Index will be used as part of a three year co-operation project between Cuba's National Association of Small Farmers (ANAP) and a team of co-op leaders from Cuba, Saint Mary's University, York University, ICA Latin America and Scottish Agricultural

Organizations Society to help strengthen the internalization of co-op principles in Cuba's private farmer co-operatives.

## INTRODUCTION

Victim of a punishing blockade and the collapse of the Soviet field, Cuba's farm co-operatives have been front and centre in Cuba's food security strategy for more than five decades. Fifty-six years after the *Triumph of the Revolution*, Cuba's socialist government is taking innovative steps to transform non-farm sectors of the Cuban economy into worker-led co-operatives.

If successful, this tiny island nation with a passion for socialism could be the first in the world to "get it right" – building a truly people-centred economy that avoids both the problems of top-down bureaucracies that seem to plague socialist societies and, at the same time, the wholesale rush to capitalist privatization that has marked the post-Soviet world.

This is of global significance. For this reason, a number of co-op sector academics and practitioners have come together in a project of international co-operation to support Cuba in her brave new path.

This paper presents the story of Cuba's farm co-op movement: their encouragement following the Cuban Revolution of 1959, their increased strategic importance after the collapse of the former Soviet Union, their role today in Cuban food security and how the Co-op Index, as a tool, will be used to help strengthen them for the opportunities that lie ahead as Cuba moves to a more co-operative, people-centred socialist economy.

## OVERVIEW

As part of a Strategic Plan developed by Cuba's farm organization ANAP (*Asociación Nacional de Agricultores Pequeños*), the Co-op Index will be used as a tool over the next three years by ANAP's National Training Centre Escuela Niceto Perez (ANAP, 2013) to:

- a) measure/assess the degree of co-op integration and engagement that exists within Cuban co-operatives at the organizational and associative level;
- b) identify areas where deficiencies exist;
- c) develop a strategy to improve overall co-operative integration and
- d) benchmark success.

This work to help strengthen Cuba's farm co-operatives will be carried out with the support and assistance of co-op professionals (academics, practitioners) from Canada, Scotland, Costa Rica.

This training fills a recognized need in Cuba. In a March 27<sup>th</sup> 2014 address to ANAP members in Camaguey, Jorge Luis Tapia, member of the Central Committee of the Communist Party of Cuba and first secretary in the territory, told Credit and Service Co-operatives Directors that they should properly look after their members (Bad Management of Co-operatives in Central Cuba Criticized. Cuban News Agency, 2014).

## ORGANIZATION OF THIS PAPER:

- HISTORICAL CONTEXT explains the context in which Cuba's farm co-operatives developed and the importance of Cuba's farm co-ops to food security,
- ANAP THE FARMERS VOICE describes the important role played by this untied farmers' organization in supporting Cuba's private farmer co-ops.
- CUBAN CO-OPS AND THE TRANSFORMATION OF THE COUNTRYSIDE discusses the role Cuba's co-operatives played in transforming Cuban agriculture as it went from green revolution to sustainable leadership in one decade.
- FARM CO-OPS IN CUBA TODAY looks at Cuba's co-op structure today.
- CUBA'S NEW CO-OPERATIVE PATH highlights the many changes propelling the Cuban economy and society down a broader co-operative path.
- INTERNATIONAL CO-OP LEADERS ENGAGE examines how a small, informal workshop of international co-op academics and practitioners in Havana in December 2011 gathered momentum and opened a window top the world.
- A PROJECT IS BORN presents the steps leading to the development of a formal project with ANAP, Cuba's national farmers association, to strengthen co-operative identity and the internalization of co-operative principles and values within Cuba's three types of co-operatives.
- CO-OP INDEX CONFIRMED AS VALUED TOOL. Why the Co-op Index Tool is of interest to ANAP. Outcomes of a Project Workshop held in Cuba in February 2014.
- NEXT STEPS and SUMMARY.

USE OF THE COOP INDEX TO STRENGTHEN CUBA'S FARM COOPERATIVES.  
Excerpted from *Building a Better Toolbox to Build a Better World (Case Study Two)*  
CAPSTONE PAPER, Masters of Management Co-operatives and Credit Unions  
Sobey School of Business, Saint Mary's University. April 2014. Wendy Holm, P.Ag.

## HISTORICAL CONTEXT

Built upon the socialist<sup>1</sup> ideals of Jose Marti,<sup>2</sup> the Batista legacy of powerful latifundios and illiterate farmers put agrarian reform squarely on the agenda of Fidel's new government. By hiding and feeding Cuban revolutionaries, farmers had been key strategic partners in the underground movement leading up to the Triumph of the Revolution in 1959. It was no surprise that agrarian reform and literacy topped the priority list of the new government.

Within the first year, large tracts of privately held land were expropriated (with compensation) and divided into state farms. Those who applied were given up to 67 acres of good quality farmland.

Thus began three decades of Cuban agriculture characterized by large state farms (>70% of production, predominantly sugar and livestock) and many small, private farmers. ANAP (*Asociación Nacional de Agricultores Pequeños* - National Association of Small Farmers) was created by Cuba's private farmers in 1961 to represent their interests.

As Cuba's population grew rapidly, the demand for food increased. In the early 1970s, responding to the need to help small farmers become more efficient through shared infrastructure, training, education and support, ANAP encouraged the growth of farm co-operatives. To reduce transportation costs, new co-ops were encouraged to locate close to population centres. Where necessary, this involved ANAP-facilitated land exchanges (e.g. swapping distant lands for closer parcels).

Two types of private farmer co-ops emerged: Credit and Service Co-operatives (CCSs; *Cooperativas de Créditos y Servicios*) and, after 1976, Agricultural Production Co-operatives (CPAs; *Cooperativas de Producción Agrícola*):

Credit and Service Co-operatives (CCS's) are producer co-operatives. Members retain individual title to their land and co-operate in areas such as transportation, sales and access to equipment, government credit and services and shared infrastructure (e.g. value-added facilities). The General Assembly, which meets monthly, approves the inclusion of new members to meet the needs of the co-op.

Agricultural Production Co-operatives (CPA's) are similar to worker co-operatives. Members pool their land (receiving payment when they join their lands) and work it collectively. As with CPA's, the General Assembly approves the inclusion of members to meet co-op needs.

During the 1980s – described by many as Cuba's "golden age" – sugar produced on large state farms using Soviet-style, high input, "green revolution" methods was sold on favourable terms to the former Soviet Union in exchange for consumer and industrial goods that were plentifully available. *La Libreta* (the ration book) provided every Cuban with a basic monthly supply of food and other items at dramatically subsidized prices. A doubling of the Cuban population had sparked a rash of new housing, ensuring everyone had a home, although extended families often shared a residence. Universities existed in every province and the population was educated and employed. Access to high quality health care and education was (and remains) free. By the late 1980's, Cuba's farm sector had become

one of the most highly industrialized in the world. By Latin American-based standard of living indices, Cuba's standard of living topped that of the US.

With the fall of the Soviet Union in the early 1990s, "*La Tubería*" – the umbilicus that connected Cuba to the former Soviet Republics - collapsed, plunging Cuba's economy into darkness. Facing the rigours of the "Special Period", Cuba's farm co-operatives rallied; in less than a decade, Cuban farmers learned how to grow food in the countryside without chemicals and pesticides and how to feed urban cities from within. By 1999, Cuba was recognized as a world leader in sustainable, organic farming methods and urban agriculture. (Biniowsky. 2011) The story of how this happened is a study in co-operation!

#### CUBAN CO-OPS AND THE TRANSFORMATION OF THE COUNTRYSIDE

The collapse of the former Soviet Union, Cuba's major trading partner, was the catalyst in Cuba's transformation from large-scale monoculture to sustainable farming practices. The loss of 70% of Cuba's food supply and virtually all agricultural inputs (tractors, tractor parts, petroleum, machinery, pesticides, fertilizers, seed, feed grains) meant Cuba had to quickly find new ways to produce food. With crisis as the driver, necessity became the mother of invention and Cuba embarked on a remarkable journey.

Based on the success of farm co-operatives in the private sector, large state farms no longer sustainable in the Special Period were divided up into a third type of co-operative – a UBPC (*Unidad Básica de Producción Cooperativa* or Basic Unit of Co-operative Production) – and workers were given usufruct<sup>3</sup>

tenure to the land, the opportunity to purchase the means of production and to organize co-operatively. Uncultivated urban areas were turned into urban *organopónicos* (co-operatives, organized as UBPCs). In the countryside, retired farmers were called back to teach younger ones how to plough with oxen. Rustic micro-labs for the production of cutting-edge biological controls were scattered across the countryside to bring farm extension and solutions to local farmers in their fields.

As a Professional Agrologist with sixteen years experience in Cuban agriculture, I believe Cuba had five very important things going for her that made possible her transformation from high-input monoculture to global leadership in sustainable and organic agriculture, virtually overnight.

1. Foremost of course is Cuba's co-operative structure. A food production system based on farmer co-ops and strong farmer-to-farmer connections made it much easier for farmers to work strategically and effectively to transform production methods. Also, through their member organization ANAP, farmers are able to "speak with one voice" to government, ensuring the delivery of solid policy support to farmer co-operatives.
2. Scientific capacity. Following the Revolution, the Cuban government placed a priority on developing a strong science and technology sector. Beginning in the 70s, Cuban scientists began developing alternatives to high input agriculture to their farm sector more sustainable. As a result, Cuba had the knowledge and technical capacity to develop bio-pesticides and bio-fertilizers needed to produce food in the Special Period.



3. Smart and capable farmers and a strong farm voice. Supported by a national farmers organization (ANAP) that put an emphasis on skills and knowledge, Cuba's literate farmers were well supported in their adoption of new methodologies.
4. A solid system of agricultural extension. Critically important was the full support of Cuba's Ministry of Agriculture and related networks from the university and scientific community to support the training needed to farm more sustainably.
5. Excellent soils, water and climate.

These factors, combined with the agricultural knowledge, concepts and ideas handed across generations and the persistence of the Cuban people, made the impossible possible. Just ten years after the collapse of the former Soviet Union, in a solemn session of the Swedish Parliament in December of 1999, Cuba's *Grupo de Agricultura Orgánica* was honoured over 80 other candidates from 40 countries to receive Sweden's prestigious *Right Livelihood Award* (referred to as the "Alternative Nobel Prize") for world leadership in sustainable, organic farming methods and urban agriculture.

In the words of Mavis Álvarez, founding member of ANAP, co-operatives remain at the heart of Cuba's success:

*"Sustainable technology is difficult without sustainable economic and social structures. Cuban farmers are highly organized through the formation of co-operatives with real social and economic power, and the presence of national organizations that can represent the interests of individual farmers at the state level... The transition to sustainable*

*techniques has also been easier for Cuban farmers than in other countries because of the security bestowed by the Cuban government: land rights, access to and ownership of equipment, availability of credit, markets, insurance and free health care and education. Property rights include not only land, but also the materials necessary for production, such as farming implements, ploughs, housing and other buildings as well as ownership over the harvest itself. ” (Alvarez, 2001. p. 75.)*

## ANAP – THE FARMERS’ VOICE

Founded in 1961, ANAP (*Asociación Nacional de Agricultores Pequeño*) represents 100% of Cuba's private farmers. ANAP is funded by dues from all of its members, has democratically-elected leadership at the municipal, regional, provincial and national levels, and exists to provide organizational and productive support to Cuban co-operatives for training, promotion, marketing, international co-operation and the preservation of Cuba’s farming traditions, experiences and culture.

For the past 53 years, ANAP has played a critical role in supporting the transition of Cuban co-operatives to sustainable farming practices through training, education and the promotion of projects that incorporate sustainable agriculture practices.

Today, ANAP’s primary goal is to help members strengthen the integration of co-operative principles, values and management within their co-operatives and to encourage the use of agro-ecological farming techniques to improve production capacity, thus supporting an equilibrium between “associative”

(member related) and “enterprise” (co-op related) needs. Some of ANAP’s activities include (Alvarez, 2001. p. 82):

- Nationwide training programs to build capacity among small farmers, co-operative members, grassroots organizations and ANAP leaders.
- Farmer-to-farmer training programs where farmers teach others about their experiences with sustainable agriculture through direct participation and communication.
- Reorientation of the National Training Center Escuela Niceto Perez’s education and training curriculum in order to strengthen co-operative and agro-ecological knowledge.
- Collaboration with international donors and nongovernmental organizations (NGOs) to promote sustainable techniques.
- Farmer, extension and researcher participation in regional and national networks to discuss topics related to food security and sustainable development.

## NEW FARMERS ENCOURAGED AS PART OF CUBAN FOOD SECURITY

Beginning in 2008, the Cuban Government instituted a new policy of land distribution to boost food security (Decreto Ley 259 and 300). By the fall of 2011, 1.3 million hectares of land had been distributed in usufruct to 146,816 new farmers (97% of applicants). With 4,540 new farmers

approved and “in process”, a total of 151,356 new farmers were created. The average land allocated to each new farmer under this program has been 8.7 hectares. One third of these new farmers are 18-35 years old; 25% of whom were previously unemployed and 13 percent retired.

Land assignment under this program continues to provide new farmers with support to ensure success. Once a new farmer is approved, the relevant provincial soil lab looks for suitable land with a good soil profile. The agricultural extension specialists from the soil lab meet with the new farmer to explain the soil capability and crop suitability of the land s/he is receiving and provide two years of direct support to make them successful.

To be eligible to receive land, new farmers must also be accepted by an area CCS (Credit and Service Co-operative) to provide them with further incubator support. This is also a way of screening new land applicants – acceptance by a local farm co-operative is a solid indicator of character and capacity.

#### FARM CO-OPS IN CUBA TODAY

Agriculture in Cuba today employs 1.5 million workers, or 28 percent of the national workforce, and contributes between 4 and 5 percent of the gross domestic product (Fernandez, 2011).

Reversing the co-op-state ratio of the 1980’s, over 80% of Cuba’s farm production today is co-operative (CPAs, CCSs and UBPCs), providing 77 percent of Cuba’s production of crops and 79 percent of livestock.

Production from Cuba's farm co-ops constitutes greater than 90 percent of raw materials used by the country's agri-business sector; 98 percent in the case of sugarcane, tobacco and honey. There are 5,474 farmer co-operatives and 500 state enterprises (Fernandez, 2011).

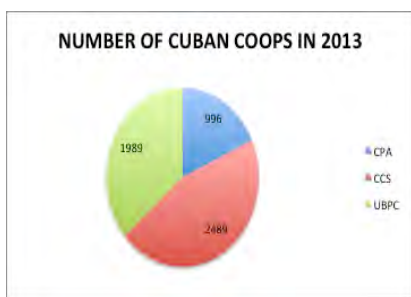
In 2013 ANAP had 396,526 members organized into 3,485 farmer co-ops. They farmed 2,894,405 hectares (39 percent) of Cuba's arable farmland and produced over sixty percent of domestic food production (ANAP, 2013.)

Of these, 2,489 were Credit and Service Co-operatives (CCSs) representing 348,080 members who farm 2,306,526 hectares of land (930,455 owned, 1,302,033 in usufruct, 14,768 leased and 59,269 owned collectively).

There were 996 Agricultural Production Co-operatives (CPAs) representing a total of 48,446 members who collectively farm 587,878 hectares of land - 535,033 of which are owned and 52,845 farmed in usufruct.

In addition to the private farmers, there were also 1,989 UBPC's (organized under the Ministry of Agriculture) representing 121,481 members.

This information may be summarized as follows:



Structure of Production, Cuba's Farmer Cooperatives. 2013							
	CPA		CCS		COMBINED ANAP (CPA + CCS)	UBPC	TOTAL
<b>Co-ops</b>	996	1	2,489	1	3,485	1,989	5,474
<b>Members</b>	48,446	1	348,080	1	396,526	121,481	518,007
<b>Hectares</b>	587,878	1	2,306,526	1	2,894,404		
<i>owned</i>	535,033	1	930,455	1			
<i>usufruct</i>	52,845	1	1,302,033	1			
<i>lease</i>			14,768	1			
<i>commons</i>			59,269	1			
<b>Percent Arable Land</b>					39%	2	
<b>Percent Food Production</b>					60%	3	
Source:							
1 ANAP 2013							
2 Pablo Fernandez, 2011, pers com.							
3 Alvarez, pers com. 2014							
4 Derived							

USE OF THE COOP INDEX TO STRENGTHEN CUBA'S FARM COOPERATIVES.  
 Excerpted from *Building a Better Toolbox to Build a Better World (Case Study Two)*  
 CAPSTONE PAPER, Masters of Management Co-operatives and Credit Unions  
 Sobey School of Business, Saint Mary's University. April 2014. Wendy Holm, P.Ag.

## CUBA'S NEW CO-OPERATIVE PATH

In April 2011, after almost a year of grassroots discussions in communities across Cuba, the Sixth Congress of the Communist Party released *Los Lineamientos* - The Policy Guidelines - a set of comprehensive guidelines spread across 12 economic policy sectors:

1. Economic management policy
2. Macroeconomic policy
3. External economic policy
4. Investment policy
5. Science, technology, innovation and environment policy
6. Social policy
7. Agro-industry policy
8. Industry and energy policy
9. Tourism policy
10. Transportation policy
11. Construction, housing & water resources policy
12. Trade policy

Seven of these policy statements specifically widen the opportunity for co-operatives as a form of non-state enterprise, delivering the socialist objectives<sup>4</sup> of human development, equity and social justice called for by Jose Marti and embedded in the tenets of the Cuban Revolution.

Changes to Cuba's agricultural policies include decentralization of state functions, elimination of subsidies to producers, more space for commercial relations (farmers purchasing own inputs), changes in access policy and, at the heart of all the changes, the concept of "the territory".

Prior to being finalized, a draft of the document *Los Lineamientos* was widely distributed throughout the country to allow for grass-roots consultation with the Cuban people in the crafting of this new economic model. Neighbourhood and workplace meetings were held over several months. The guidelines were then amended to reflect input from this process.

As a result of these changes, agriculture will be more demand oriented, there will be a reorganization of marketing and retail, intermediaries will be reduced, the territories will determine food balance to achieve self sufficiency, the state will act as a balance between the territories, state and local solutions for commercialization will be promoted and direct sales to tourism will be permitted (Fernandez, 2011). Changes to other sectors of Cuban society include:

- Close to 200 new categories of small and medium sized private businesses (*cuenta propistas*). (This fits with upcoming rationalization of state enterprises.)
- A gradual reduction in inefficient subsidies - including food ration books - and a search for new ways to fulfill social objectives. Co-operatives will play an increasingly important role in this.
- Regional decentralization – government has given more power to regional and municipal governments to establish their own priorities and utilize their local human and natural resources.
- Cubans now have the ability to buy and sell homes and cars.
- Government is encouraging non-farm co-operatives.

According to Saint Mary's University Sobey School of Business economist Dr. Sonja Novkovic (Novkovic, 2013):

*"The key principles include the preservation of socialism and an economic system based on the 'people's socialist ownership over the fundamental means of production, governed by the socialist principle of distribution: from each according to his/her capacity, to each according to his/her contribution.' Planning continues to be the allocation mechanism, but will be informed by market trends... Also important and reflected in the Guidelines is the principle of security for all citizens in the statement that 'no one will be left behind'. The main thread in these general guidelines seems to be the overarching goal to achieve social development (the socialist purpose), with decentralizing economic decision-making and thereby increasing productive efficiency as a means to achieve that goal. Socialist Cuba has succeeded in reaching a high level of human development<sup>5</sup> and there is an ongoing concern and effort not to erode that achievement with economic restructuring."*

Los Lineamientos guidelines relating to co-ops are the following:

25. Grade 1 cooperatives shall be established as a socialist form of joint ownership in various sectors. A cooperative is a business organization that owns its estate and represents a distinct legal person. Its members are individuals who contribute assets or labor and its purpose is to supply useful goods and services to society and its costs are covered with its own income.



26. The legal instrument that regulates the cooperatives must make sure that this organization, as form of social property, is not sold or otherwise assigned in ownership to any other co-operative or any non-State organization or any natural person.

27. A cooperative maintains contractual relations with other cooperatives, companies, State-funded entities and other non-State organizations. After satisfying its commitment with the State, the cooperative may pursue sales operations free from intermediaries and in accordance with the business activity it is authorized to perform.

28. Subject to compliance with the appropriate laws and after observance of its tax and contribution obligations, each cooperative determines the income payable to its employees and the distribution of its profits.

29. Grade 2 cooperatives shall be formed and the partners of which shall be Grade 1 cooperatives. A Grade 2 Cooperative shall represent a separate legal person that owns assets. The purpose of this cooperative is to pursue supplementary related activities or conduct operations that add value to the goods and services of its partners (such as production, service and marketing operations) or carry out joint sales and purchases for greater efficiency.

180. Ensure that the management of the different forms of cooperatives is autonomous and agro-industrial service cooperatives are formed at local level.

200. Develop a comprehensive training plan in keeping with structural changes. The purpose of this plan will be to train and re-training managers and workers in the fields of agronomy, veterinary medicine, industrial and food technologies, economics and business management. This plan must also cover cooperative and environmental management.

Cuba's new co-operative policies align well with ICA's co-operative principles:

1. Voluntary and open membership. (Guidelines 25 and 29)
2. Democratic Member Control. (Guidelines 25 and 27)
3. Economic participation of members. (Guidelines 25 and 27)
4. Autonomy and independence. (Guidelines 25, 27, 28 and 180)
5. Education, training and information. (Guideline 200)
6. Co-operation among co-operatives. (Guidelines 27, 29 and 180)
7. Commitment to the community (Guidelines 25 and 180)

## INTERNATIONAL CO-OP LEADERS ENGAGE

My work in Cuba since 1998 entailed coordinating of the visit of close to fifty delegations of Canadian farmers and university students to learn more about Cuba's path from high-input monoculture to global leadership in sustainable agriculture in only one decade. When *Los Lineamientos* was released, I was in the second year of my Masters of Management, Co-operatives and Credit Unions program at Sobey School of Business, Saint Mary's University, Halifax.

USE OF THE COOP INDEX TO STRENGTHEN CUBA'S FARM COOPERATIVES.  
 Excerpted from *Building a Better Toolbox to Build a Better World (Case Study Two)*  
 CAPSTONE PAPER, Masters of Management Co-operatives and Credit Unions  
 Sobey School of Business, Saint Mary's University. April 2014. Wendy Holm, P.Ag.

Bringing together co-op colleagues to see for themselves Cuba's new path to a more co-operative economy intrigued me. In December 2011, I organized a series of workshops in Havana that brought together a cohort of co-op academics and practitioners from 3 countries for discussions with their Cuban counterparts on Cuba's new co-operative directions. *Walking the Walk* is the proceedings of that workshop series (Holm, W., 2011).

In October 2012, pursuant to recommendations arising from this workshop, four Cubans were invited to Quebec City to participate in IMAGINE 2012 and the Quebec International Summit of Co-operatives. These two conferences, marking the International Year of Co-operatives, drew over 2,800 delegates from 100 nations.

In February 2013, two significant events occurred. The first was a meeting in Havana between myself, Cuban colleague Mavis Alvarez (one of the four who participated in the IYC 2012 meetings in Quebec City) and ANAP's late President Félix Gonzales Veigo, who invited us to propose to ANAP a strategic plan to strengthen farmer co-operatives.

The second event was a meeting between myself and three of the four Cuban colleagues who attended the conferences in Quebec City (Mavis Alvarez, Dra. Grizel Donestevéz Sánchez, and Sr. Gonzalo González) to review outcomes following their participation in the October 2012 conferences and obtain their advice with respect to "next steps".

The following recommendations arose from that meeting:

1. To support Cuba in its development of a people-led, co-operative economy, a two-tracked process is recommended:

- a. Academic
- b. Practical (farm and non-farm)

2. Academic Track

Build and strengthen a co-operative network of universities across Cuba with co-operative studies centres (Grizel Donestevez Sánchez)

- i. University of Pinar del Rio (Alberto Vierra)
- ii. University of Villa Clara (Victor Figueroa)
- iii. University of Granma (Ruven Viellegas)
- iv. University of Holguin (Maria del los Angeles Arias)
- v. University of Havana
  - 1. Faculty of Economics (Jesus Cruz)
  - 2. Centre for Study of the Cuban Economy (Camila)
  - 3. FLACSO (Beatriz Diaz)
  - 4. Dept. Rural Studies, Sociology (Niurka Peres)

3. Practical Track – Farm Co-operatives

Support for co-operative training:

- i. Cuba's Private Farm Sector (Mavis Dora Alvarez Licea):  
Support ANAP's three year strategic plan to provide education and training on co-operative principles to ANAP administration, ANAP training centre, co-operative presidents across Cuba and the members of those co-ops (CPAs, CCSs) that will be selected to form Cuba's first second tier co-ops.

ii. Cuba's Urban Agriculture Sector (Gonzalo González)

Work directly with members of UBPC Organopónico Alamar in Havana (workshops, measurement indicators) to build leadership in the understanding and adaptation of co-operative principles equivalent to Alamar's leadership in sustainable, organic urban agriculture. The objective is to build an accessible model to strengthen co-operative understanding and practice in other UBPC's.

In early March, the strategic plan Mavis Alvarez and I developed was submitted to Félix Gonzales Veigo, President of ANAP. The focus of the three-year plan is to strengthen the internalization of co-op principles in Cuba's private farmer co-operatives through the exchange of experiences and good international co-operative management practices.

In August 2013, Ivette Garcia became the first Cuban student to enter Saint Mary's University's Masters of Management, Co-operatives and Credit Unions Program under a full scholarship created - in perpetuity - by SMU President Colin Dodds.

## A PROJECT IS BORN

In the Summer of 2013, ANAP presented me with an approved three year International Project to support co-operative training objectives in Cuba's farm sector (ANAP, 2013).

In putting together the project architecture, I was inspired by research done by Sonja Novkovic (Novkovic and Holm, 2012) and Linda Soots (Soots, Perry and Cowan, 2007) in complex adaptive systems and network theory and innovation that suggests complex systems and the adaptive networks, and relationships they foster, fuel innovation and boost capacity.

Complex Network theory holds that if groups of diverse, interconnected and independent agents with adaptive capacity and the ability to learn are given the opportunity to form non-linear, path-dependent networks characterized by decentralized decision making where relationships – not individuals – are of primary importance, then complex adaptive networks are created that fuel innovation and creativity (Novkovic and Holm, 2012).

Because of the importance of the success of this project to Cuba's co-operative farms and the communities dependent on them, I did my best to structure a project architecture built on a network of external advisors, funders and partners with the above characteristics to become the external gyroscopes of this Project, steering it to innovative and successful approaches to delivering ANAP's strategic plan and beyond.

In September 2013, the following academics and practitioners agreed to serve as International Advisors to the Project:

Wendy Holm, Student, MMCCU, Saint Mary's University

Sonja Novkovic, Saint Mary's University

Marcelo Vieta, University of Toronto

Tom Webb, Saint Mary's University

Bob Yuill, Scottish Agricultural Organizations Society

In November 2013, the International Advisory Team was joined by

Manuel Mariño, Regional Director, ICA Americas

A Cuban Advisory Team was similarly constituted, comprised of:

Vladimir Novas, Head of International Projects, ANAP

Mavis Alvarez, Founding Member of ANAP, Co-op Specialist

Grizel Donestevéz, Professor of Co-op Studies, University of Villa Clara

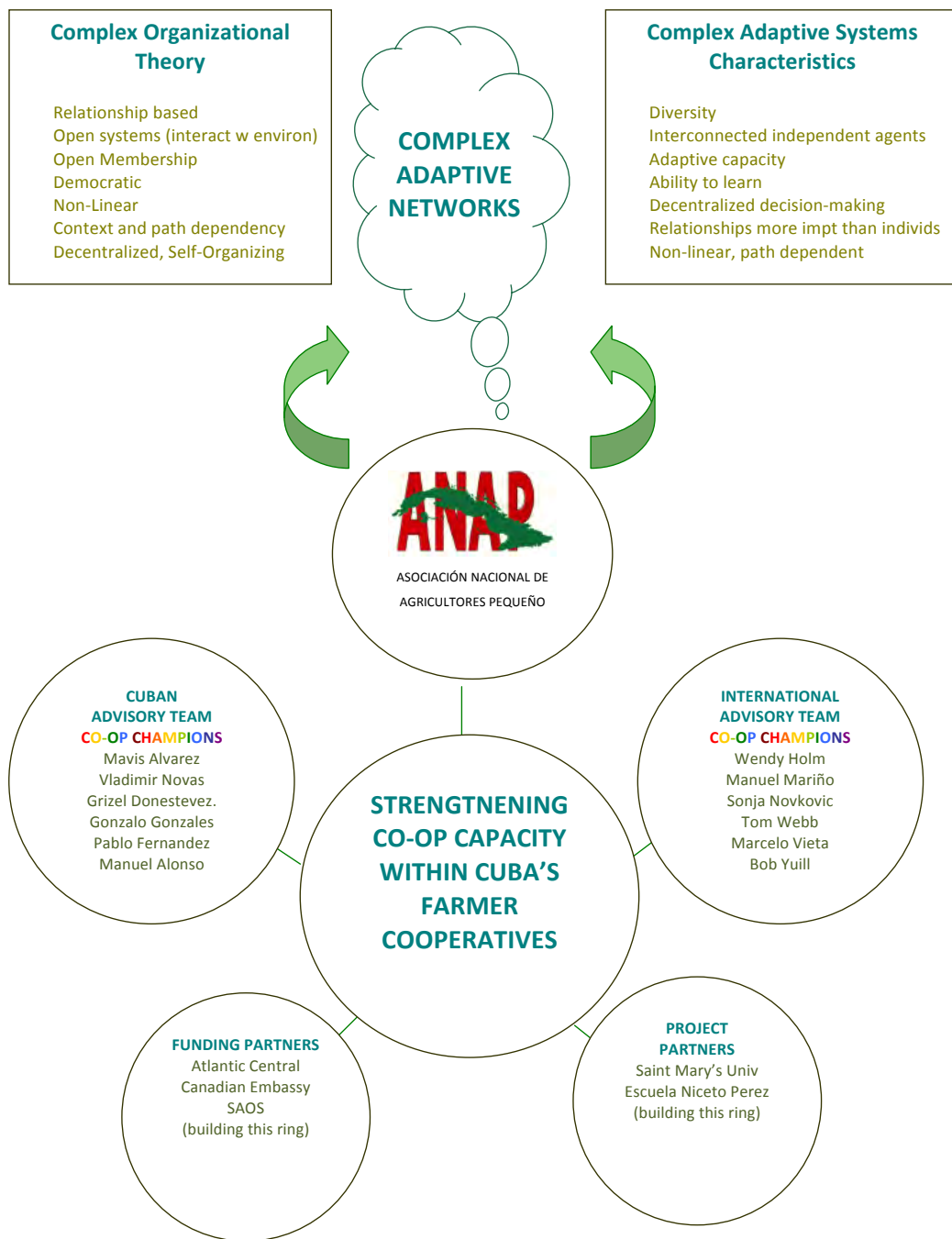
Pablo Fernandez, Economist and Co-op Specialist. University of Havana

Gonzalo Gonzales, Vice Director, UBPC ALAMAR Organopónico

Manuel Alonso, Former Head of International Relations, MINAZ

A schematic depicting the project architecture is presented on the following page.

## SCHEMATIC OF PROJECT ARCHITECTURE



USE OF THE COOP INDEX TO STRENGTHEN CUBA'S FARM COOPERATIVES.  
 Excerpted from *Building a Better Toolbox to Build a Better World (Case Study Two)*  
 CAPSTONE PAPER, Masters of Management Co-operatives and Credit Unions  
 Sobey School of Business, Saint Mary's University. April 2014. Wendy Holm, P.Ag.



## CO-OP INDEX CONFIRMED AS KEY TOOL

On February 24 and 25<sup>th</sup>, 2014, a workshop was held at ANAP's National Training Centre Escuela Niceto Perez in Artemisia Province to kick off the project<sup>6</sup>. Participants included:

Four members of the International Project Advisory Team (Sonja Novkovic, Tom Webb, Marcelo Vieta and Wendy Holm);

Canadian Worker Co-op Federation colleague Peter Hough;

Three members of Cuba's Project Advisory team (Mavis Alvarez, Grizel Donestevez Sanchez and Gonzalo Gonzales);

Escuela Niceto Perez Vice Director Armando Hernandez Romaro and five members of his teaching faculty;

SMU MMCCU Graduate Student Ivette Garcia, Professor at the University of Havana.

Consistent with the Strategic Plan of ANAP, the intent of this first workshop was to discuss ways to strengthen co-operative identity and the internalization of co-operative principles and values within Cuba's three types of co-operatives. And, specifically, to focus on the Co-op Index as a tool to help start that process.

The first day of the two day workshop focused on getting to know one another: exploring what each brings to the table and how both teams might work together to support the success of Cuba's farm co-operatives as they enter a new co-operative era (Los Lineamientos 2011).

The afternoon focused on sharing with the International Team a stronger understanding of how Cuba's three types of co-ops (CPA, CCS, UBPC) are structured, how they function, how they differ, and ANAP's role in supporting members and their co-operatives.

The morning of the second day focused on a presentation and wide-ranging discussion, led by Peter Hough, on the Co-op Index: how it works, how it is structured, what it is and what it is not, how it is used in Canada and elsewhere, how it might be adapted (or designed from scratch) for use by Escuela Niceto Perez in their work with Cuba's socialist worker (CPA, UBPC) and producer (CCS) co-ops. The afternoon focused on "next steps" to move this forward. The workshop concluded with the following accords:

1. The Vice Director and members of the teaching staff of Escuela Niceto Perez value and accept the "Train the Trainers" invitation by ANAP to work with members of the International and Cuban Advisory Teams to strengthen farm co-operatives.
2. The Co-op Index was recognized by Escuela Niceto Perez as a valuable diagnostic tool for members to understand better co-op training needs and allow them to pursue more successfully co-operative potential.
3. The structural differences between Cuba's farm co-operatives suggest it may be possible to "tweak" the existing tool for CPA's and UBPC's, the tool will most likely require rebuilding from the ground up for Cuba's producer co-ops (CCS/CCSF's).
4. Next step is for Co-op Index tool developers to install a Spanish Co-op Index report in a draft Cuban version of the tool.

The Cuban Team and Escuela Niceto Perez representatives will report back to the International Team with an estimate of how many (and which specific) questions might need to be changed in order to allow the tool to be successfully used by CPA's and UBPC's. It was generally agreed that if the number of questions needing rephrasing is ten or less, tweaking is likely possible. If there are a great deal more questions that need "adjusting", then the best course of action may be to design one Cuban Co-op Index tool that works for all types of Cuban farm co-ops, if possible.

An Action Plan was summarized as follows:

- a. Training workshop with Escuela Niceto Perez once a Spanish tool is available.
- b. At the invitation of Escuela Niceto Perez, meet with members of a representative CPA and a UBPC to determine if the modified worker co-op tool will be useful; fine-tune questions as needed.
- c. Analyse results: will modified tool work or is new tool needed?
- d. If yes, begin work with a pilot group of CPA and UPBC co-operatives.
- e. Begin discussions with Escuela and CCS members to design and build a Co-op Index tool for Cuba's producer co-ops.

## NEXT STEPS

When the Co-op Index training is complete and the Co-op Index tweaked or rebuilt for the Cuban context, Escuela Niceto Perez will work with ANAP to identify CPAs, CCSs and UBPCs to form a pilot group of co-operatives who will then begin to work with the Co-op Index as a tool to strengthen co-operative identity and member/worker participation.

From this will emerge a list of training needs to support the ongoing advancement of Cuban farmer co-operatives. The three year project also envisages providing Cuba with assistance with co-operative curriculum development and providing support for co-operative training programs and visits to co-operative exemplars by the pilot farm co-ops.

The International Team will work to support these needs over the next three years. Some will be met by providing curriculum support, others by bringing in leaders like Scottish Agricultural Organizations Society's Bob Yuill to talk to farmers about global leadership in farmer co-operatives. The project also envisages visits to co-operative exemplars by the pilot farm co-ops.

At the end of the three-year project, the Co-op Index will be again administered to provide feedback to the co-operatives and program stakeholders on the outcomes of the project.

Because of the uniquely homogenous Co-op Index data set created by this work (all farm co-operatives in the same country producing a similar range of crops facing the same climate and market conditions, using the same sales and marketing channels and receiving the same state-supported

prices) a further research opportunity exists to explore with the individual pilot co-ops the correlation between integration and advancement of co-operative principles (as measured by Co-op Index scores) and level of achievement of socio-economic goals of the co-operative and its members (as expressed by the co-ops themselves) is of interest.

Fundraising is underway to support this three-year project of international co-operation (Holm, 2014)

## SUMMARY

A child of Cuba's Revolutionary agrarian reforms, Cuba's co-operative roots are poised to deliver a cutting edge defense of democratic socialist principles in a world of global indifference.

In Los Lineamientos, the Cuban government has committed to a transition from state socialism to co-operative control in many sectors of Cuba's economy.

Cuba could be the first nation to get this right. With the exception of China and Vietnam - and they are different in their own right - no socialist economy in transition (post 1989) has made a concerted effort to remain socialist.<sup>7</sup>

(This is why Cuba does not want to be termed 'in transition' – they are instead transforming, or reforming, their socialist economy.)

Because agricultural co-operatives have a long tradition of working well in the Cuban economy, farmers will lead the way down this wider co-operative path - joining to form "second tier" co-operatives to provide, for example, further-processing, value added services to the members.

Co-operative researchers in Canada and Cuba are now collaborating in a three-year project to help deliver this promise. With a project architecture intended to maximize creativity and innovation, the Co-op Index, developed at Saint Mary's University, will be an early and very important tool in that process.

If the Co-Op index works well as a tool to strengthen internalization of co-operative principles and values within Cuba's farmer co-ops, it will be well-received by Cuba's non-farm sector as this tiny island nation moves to create a sustainable, worker-led, participatory and co-operative economy.

Imagine...

## BIBLIOGRAPHY

Alvarez, M. (2001). Social Organization and Sustainability of Small Farm Agriculture in Cuba. In F. Funes, L. Garcia, M. Bourque, N. Perez, Peter Rosset et al. *Sustainable Agriculture and Resistance, Transforming Food Production in Cuba*. Institute for Food and Development Policy, USA. Translated from original Spanish Transformando el Campo Cubano: Avances de la Agricultura Sostenible, Asociación Cubana de Tecnicos Agricolas y Forestales (ACTAF), 2001

ANAP. (2013). "Fortalecimiento a nivel Nacional del Movimiento Cooperativo Agrícola". Project Proposal (unpublished). Asociación Nacional de Agricultores Pequeños (ANAP). June.

Biniowsky, G. (2011). Placing Cuba in Context. In Wendy Holm (Ed.), *Walking the Walk: Cuba's Path to a more co-operative and sustainable economy*. (pps. 2-6). Proceedings of a Workshop held in Havana Cuba Dec 12-16, 2011. Retrieved from:  
<http://www.theholmteam.ca/HAVANA.WORKSHOPS.Dec.2011.pdf>

Communist Party of Cuba. (2011). *Los Lineamientos. Resolution on the Guidelines of the Economic and Social Policy of the Party and the Revolution*. Passed by the party's Sixth Congress on April 18, 2011 Year 53 of the Revolution.

Co-op Index. 2014. How is the Tool Designed? Retrieved March 2014 from  
<http://www.coop.oindex.eu/index.php?limitstart=5&lang=en>

Côté, D. (2005). Loyalty and co-operative Identity: Introducing a New Co-operative Paradigm. In (French version) *Revue Internationale de l'Economie Sociale*, RECMA # 295, February (pp. 50-69).

Côté, D. (2004). Managing co-operative equilibrium: A theoretical framework. April 19, 2004. HEC, Montréal (École des Hautes Études commerciales de Montréal)

Côté, D. (2000). Co-operatives and the new millenium: The emergence of a new paradigm. In I. MacPherson, B. Fairbairn, & N. Russell (Eds.), *Canadian co-operatives in the year 2000: Memory, mutual aid and the millenium* (pp. 250–266). Saskatoon: Centre for the Study of Co-operatives.

Cuban News Agency. (2014). Bad Management of Co-operatives in Central Cuba Criticized. March 27, 2014. Retrieved March 27, 2014 from <http://www.cubanews.ain.cu/economy/1082-bad-management-of-cooperatives-in-central-cuba-criticized>

Fernandez, P. (2011). The Agriculture Sector in the Context of the Cuban Economy. In Wendy Holm (Ed.), *Walking the Walk: Cuba's Path to a more co-operative and sustainable economy*. (pps. 2-6). Proceedings of a Workshop held in Havana Cuba Dec 12-16, 2011. Retrieved from: <http://www.theholmteam.ca/HAVANA.WORKSHOPS.Dec.2011.pdf>

Funes, F. (2001). *The Organic Farming Movement in Cuba*. In F. Funes, L. Garcia, M. Bourque, N. Perez, Peter Rosset et al. *Sustainable Agriculture and Resistance, Transforming Food Production in Cuba*. Institute for Food and Development Policy, USA. Translated from original Spanish Transformando



el Campo Cubano: Avances de la Agricultura Sostenible, Asociación Cubana de Tecnicos Agricolas y Forestales (ACTAF), 2001

Holm, W. (2014). Update: *In Support of Co-op Education And Training With Cuba's Farmer Co-operatives*. Retrieved from <http://www.theholmteam.ca/MARCH.2014.Fundraiser.Cuban.Coops.pdf>

Holm, W. (2011). Ed., *Walking the Walk: Cuba's Path to a more co-operative and sustainable economy*. (pps. 2-6). Proceedings of a Workshop held in Havana Cuba Dec 12-16, 2011. Retrieved from: <http://www.theholmteam.ca/HAVANA.WORKSHOPS.Dec.2011.pdf>

ICA. \*(2013). Blueprint for a Co-operative Decade. International Co-operative Alliance. January 2013. Retrieved March 2014 from <http://www/ica/coop>

Nieto, M. (2001). Cuban Agriculture and Food Security. In F. Funes, L. Garcia, M. Bourque, N. Perez, Peter Rosset et al. *Sustainable Agriculture and Resistance, Transforming Food Production in Cuba*. Institute for Food and Development Policy, USA. Translated from original Spanish Transformando el Campo Cubano: Avances de la Agricultura Sostenible, Asociación Cubana de Tecnicos Agricolas y Forestales (ACTAF), 2001

Novkovic, S. (2013). How to manage co-operative difference in a socialist economy: Cuba's decentralization of decision-making. 2013. Working Paper.

Novkovic, S & Miner, K. (2013). Co-Directors. *Themes and Recommendations from the International Co-operative Governance*

USE OF THE COOP INDEX TO STRENGTHEN CUBA'S FARM COOPERATIVES.  
Excerpted from *Building a Better Toolbox to Build a Better World (Case Study Two)*  
CAPSTONE PAPER, Masters of Management Co-operatives and Credit Unions  
Sobey School of Business, Saint Mary's University. April 2014. Wendy Holm, P.Ag.

*Symposium* conducted by Saint Mary's University, Halifax, September 5-7.  
Retrieved March 2014 from <http://www.managementstudies.coop>

Novkovic, S & W. Holm. (2012). Co-operative networks as a source of organizational innovation. In *International Journal of Co-operative Management*. Vol 6. No 1.1. October 2012. (pps. 51-60)..

..

Piñeiro Harnecker, Camila. (2011). Potentials & risks of co-operatives for building Cuban socialism. In Wendy Holm (Ed.), *Walking the Walk: Cuba's Path to a more co-operative and sustainable economy*. (pps. 2-6).

Proceedings of a Workshop held in Havana Cuba Dec 12-16, 2011. Retrieved from: <http://www.theholmteam.ca/HAVANA.WORKSHOPS.Dec.2011.pdf>

Stocki, R. P. Prokopowicz & G. Żmuda. (2008). Total Participation in Management. In *Critical management practice*. [Draft version for reviewers] English translation of Pełna Partycypacja w Zarządzaniu (Wolters Kluwer)  
Translated by Zofia

Stocki, R. P. Prokopowicz & S. Novkovic. (2012). Assessing participation in worker co-operatives: From theory to practice. In *The Co-operative Model in Practice* (2012) McDonnell, D. & E. Macknight (eds.), CETS, University of Aberdeen, Scotland, p. 119-133.

## ENDNOTES

---

<sup>1</sup> As a social movement, socialism is about ensuring human development, equity, and social justice. With attention to people's needs at its core, the purpose of a socialist society is captured in the subordination of capital, in calls for fair income distribution, and in ensuring general access to social security and the provision of basic necessities, such as food, shelter, healthcare and education, among other. Rooted in the labour theory of value (Ricardo; Marx), work is the main source of income in socialism, with labour (rather than capital) as rightful owner of the residual income, i.e. profit. (*Novkovic, 2013.*)

<sup>2</sup> Jose Marti, Cuba's National Hero, 1853-95, was a poet an essayist, a journalist, a revolutionary philosopher, a translator, a professor, a publisher, and a political theorist. His writings continue to resonate within the Cuban society.

<sup>3</sup> Essentially, the right to work the land in perpetuity. Similar to a life-long lease (unless the Government needs the land for another purpose).

<sup>5</sup> The Human development index consists of three components: income, health and education. HDI for Cuba was 0.78 in 2011, well ahead of economies with similar levels of income per capita. <http://hdr.undp.org/en/statistics/hdi/>

<sup>6</sup> This workshop was organized with funding kindly provided by the Canadian Embassy in Havana and Atlantic Central.

<sup>7</sup> Transition economies all deliberately moved to outright capitalism, selling of assets to employees was a (small) part of their privatization efforts for a number of reasons - none of which were ideological. Employee-ownership is still marginally present in some countries. none of them introduced a co-operative economy. (*Novkovic, pers. Comm.*)

## APPENDIX A: THEORETICAL BACKGROUND: Worker Co-op Index

The Co-op Index has as its roots the work of Johnston Birchall, who argued that we really can't create a co-operative competitive advantage until we manage our co-operatives differently from our competitors. Saint Mary's University's **Sonja Novkovic**, Tom Webb and the late **John Chamard took up Birchell's challenge, and in 2005 approached** Polish Professor Ryzard Stocki, for collaboration.

Stocki is an organizational psychologist and the developer of Total Participation Management (Stocki et al 2008) and the Open Non-Profit Index for non-profit organizations that assesses the level of participation in an organization. In 2008, St. Mary's organized a workshop that brought together a group of Canadian worker co-op developers and practitioners to envisage "the ideal worker co-operative". The outcomes of this meeting formed the basis for the development of the Worker Co-op Index.

The tool itself is a survey of just under 200 questions designed to measure the perceptions of immediate stakeholders in a worker co-operative. It asks questions designed to rate the ability of the co-operative to meet its obligations under the identity statement: Values, Ethics, Principles as well as its organizational ability to meet its members' needs. It creates an index for the co-operative to measure across time and, eventually, to measure against other worker co-operatives.

The Index is grounded in the theory of Total Participation Management (Stocki et al. 2008). According to the Total Participation approach, it

is crucial for organizations to fully engage their employees in the management of the organization to ensure their well-being. Evidence indicates that participation can increase productivity, individual motivation, and organizational efficiency.

Stocki argues for the application of a Total Participation (TP) framework (Stocki et al 2008) as an underlying concept in measuring co-operatives' organizational performance. According to Stocki:

*Total participation in management (TPIM) describes a method of directing an organization based on the conviction that participation is an inherent characteristic of every human being, and that employee participation has a constant, long-term, and positive influence on the achievement of organizational and individual goals. In practice, the implementation of the core principles of TPIM is based on the encouragement of all employees to take joint responsibility for the organization. Beyond business goals - thanks to employees' understanding of the company's activities as well as constant information feedback, employees in total participation management firms accrue meaning in their private lives, achieve harmony with their professional lives, and reap the benefits of a community within the bounds of their workplace. Total participation in management is an interactive process of moving from the natural, classical trends in management to the level of total participation as well as the maintenance of this level in time, in step with the constantly changing business and internal organization. (Stocki et al 2008)*

A detailed discussion of the development of the Worker Co-op Index is presented in *Assessing participation in worker co-operatives: From theory to practice*. (Stocki et al 2012)

The Co-Op Index tool measures co-op functioning on several levels. First, there are four general indices that capture the functioning of the organization on a scale ranging from 1 to 100. Such measures allow quick identification of progress and benchmarking against other similar organizations. Next, there are 22 scales that refer to particular **Co-operative Principles and Values**, and another grouping of 30 scales that refer to specific **Organizational actions and their effects**. The responses are also grouped into four dimensions: **Systems, Climate, Attitudes** and **Outcomes**. These dimensions point to types of actions to increase member and employee engagement and improve the functioning of the co-op (Co-op Index, 2014).

Following tabulation of the survey responses and interviews with key persons, a report is provided that presents various scales and indices which provide the co-operative with an in-depth picture of their values in action. At the end of the report, answers to each question are enumerated and provide selected demographic comparisons between groups within the co-op, e.g. members vs. non-member workers; managers vs. production workers.

The Index can be used for a very brief snap shot of the “state of the co-operative” or it can be part of a more intensive analysis of issues facing the co-operative. In either case, it can, and should, help influence strategic planning, education, training, and leadership

development. At the national and international level, it can help planners determine workshop needs and membership needs.

The identity of the person filling out the questionnaire is kept completely confidential. Through the Co-op Index process, further participation in a steering committee and key informant interviews, a broad perspective from all levels in the co-operative is sought. Much occurs "behind the scenes" by the Co-op Index Consultant. The following steps are followed in Canada (Co-Op Index, 2014):

- Present Worker Co-op Index to Co-op
- Receive commitment to use Index and sign License Agreement
- Set up Steering Committee
- Determine demographic questions
- Compile email addresses of all participants
- Co-op writes introductory letter to participants – members and employees
- Send email or participants to CIC administrator
- Set up/send survey; with support of Co-op encourage max participation.
- Run Broad and Narrow reports with demographics
- Co-op compiles documents for review and provides them to CIC.
- Analyse data
- Present preliminary analysis to Steering Committee for discussion.
- Identify persons for key informant interview.
- Develop questions for interviews
- Draft recommendations
- Present to Steering Committee
- Finalize recommendation and final report.

No one in the co-op sees any of the completed questionnaires, only the aggregate results via the report. The answers to the questionnaire are processed through a computer program to generate a co-op-specific report that highlights where the co-operative has done well at integrating co-operative principles and values areas and where improvement is possible.