

# INTERNATIONAL DEVELOPMENT DIGEST

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CANADIAN CO-OPERATIVE ASSOCIATION



## INDIA: CO-OPS CHANGE THE LIVES OF RURAL WOMEN

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CCA intern Lora Forsythe says women are the mainstay of village life in rural India but still lack many of the options open to men. With the help of their co-operatives, life for women in two districts of Andhra Pradesh state is changing as they achieve new levels of respect and status in their communities. Lora should know. She met hundreds of rural women during her research to help an established Indian co-operative development organization learn more about the impact of their work with women.

In 2003, Lora traded the comforts of life in Oakville, Ontario for the challenges of India as a youth intern with the Canadian Co-operative Association. Her mission: to study the impact of a women's thrift co-operative and a women's diary co-operative on the lives of members in two districts near the city of Hyderabad. Since the early 1990s women from these two districts, with the help of India's Co-operative Development Foundation, have been forming co-operatives to help improve their lives.

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WHILE IN INDIA, LORA ATTENDED THE THREE-DAY SAMAKKA SARALAMMA TRIBAL FESTIVAL HELD EVERY TWO YEARS IN THE VILLAGE OF MEDARAM TO CELEBRATE THE BRAVERY OF SAMAKKA, A FABLED QUEEN FROM THE KOYA TRIBE, AND HER DAUGHTER SARALAMMA. PHOTO: PENAMATSA RAJAN RAJU





## INDIA:

# CO-OPS CHANGE THE LIVES (FROM PAGE 1)

*“Because women have access and control over their own loans, they can spend it on their needs.”*

Crisscrossing the countryside, Lora interviewed 350 women in 20 villages gathering data that will be used by the Foundation to improve their programming in rural India.

“I stayed in two villages for over a week each, interviewing almost every woman,” says Lora. “That was the absolute high point of my work. I gradually earned their trust and they opened up to me.”

Lora says the co-operatives have improved the lives of women in very important ways. Women who have never been able to put money aside for their old age are now able to do so, and are no longer financially dependent on sons and husbands to care for them. Along the way they are shattering misconceptions of women being ‘economic burdens’ on the household.

“As women make new investments in the economy, in agriculture, dairying, and small businesses, their husbands and their community are acknowledging the role they play in the economy,” she says. “Women also have the ability now to attend to their medical needs, which they haven’t been able to before since the priority was always on the health of the males in the family. Because women have access and control over their own loans, they can spend it on their needs.”

Lora says the loans are also paying for school fees for children. This is particularly important for girl children who are the first to be taken out of school when families encounter financial difficulties.

“Living out these changes in their lives, women are seeing how their gender has affected their status and are beginning to challenge gender oppressive structures.”

Lora says one of the most important changes the co-operative has brought to village life is a new recognition of the value of equality, which is slowly changing some of the practices that have oppressed women for so long.

“In rural India, class and caste are still very much a determinant of one’s of socio-economic status and quality of life. Unequal access to resources for different castes, classes and gender is a major contributor to poverty in these farming

communities. However, every woman, regardless of her status, now has access to the co-operative’s services and the right to participate in the institution.”

Lora says this has changed perceptions of women towards others of different castes and class.

“For example, traditionally when people of different castes or gender are in a room together, they must position themselves in a certain way that reflects the hierarchy of the caste system – people of higher caste sitting on chairs, and the lower castes either standing or sitting on the floor. However, the co-operative has everyone together sitting on the floor. The board members, the president and all the members sit together on an equal level.”

The co-operative has also created a social support system through the relationships women have made through the co-op, with the result that women from the most oppressive of circumstances are now taking up leadership roles in their communities.

“Sunjuna, who has a deformed foot from polio, was left by her husband and belongs to an ostracized caste. She would have been ostracized from her community if it weren’t for the co-op,” says Lora. “Working with the Foundation, Sunjuna has become a strong and competent leader in her village of Gangadevipalli and is now the president of the co-op. She told me the co-op has brought her respect and friends that she never would have had before.”

After her six-month internship, Lora stayed on as a CCA technical co-operant to continue her work with the Foundation for another two months. She says many of her views have changed as a result of her experiences in India, including a renewed sense of optimism about development.

“I left university feeling pessimistic about the whole ‘development’ practice,” she explains. “After seeing the work of the women’s co-operatives first hand, I have regained my positive outlook on development and have acquired some important skills to help make a real difference in this world.”

Lora's experiences in India have also had a profound personal impact.

"One day, upon returning to the office after ten hours of field work and running to catch a train, I managed in my haste to break my zipper and lock my keys in a closet. Seenu, a gardener at the office, looked at me and said

"Malaga, madam, malaga," which in Telugu means *go slowly, madam, go slowly*. That has been my new mantra since returning home and it has helped me a great deal. Like many others, I am too busy running around to have any time for myself and my loved ones. India has made me re-evaluate my life and determine what is truly important." ■

***"India has made me re-evaluate my life and determine what is truly important."***

## **EL SALVADOR: CO-OPS AND CASHEWS RAISE HOPES, HEAL WOUNDS IN SAN MIGUEL**

**BY PETER WILSON**

Poverty was a tough nut to crack in rural El Salvador, until a group of agricultural co-operatives turned to the tasty cashew to bolster their incomes.

Out at San Ramon Co-operative, the harvest is well under way on the cash crop that has substantially raised the standard of living for the co-op's 80 member farmers and their families.

Rigoberto Contrera opens one of the 100-pound sacks of freshly harvested nuts stacked on the veranda in the compound of the farmer-owned co-operative. His fingers shuffle through the unshelled cashews and his beaming smile reflects the quality of the latest crop. It's been a good year for the co-op's members, he explains, with rain and sunshine arriving right on cue during the cashew-growing season.

That's good news for all the residents of San Ramon, one of seven agricultural co-ops in this region that have banded together to form the El Salvador Cashew Co-operative Society. All 600 members represented by the society are located in the district around San Miguel, a major city in the eastern part of this tiny Central American country.

The Canadian Co-operative Association (CCA) has played a major role in the formation of the society. Working with its regional partner in El Salvador, FESACORA, a federation of the country's agrarian reform co-operatives, CCA has helped fund a successful production and marketing strategy for the cashew producers.



FARMER RIGOBERTO CONTRERA HOPES THAT THE JAMS AND MARMALADES HIS CO-OP PLANS TO PRODUCE FROM CASHEW FALSE FRUIT WILL ADD TO THE BOUNTY THEY HAVE ALREADY REALIZED FROM THEIR CASHEW NUT PRODUCTION. PHOTO: PETER WILSON

The cashew society was established in 1996 with the help of \$1.2 million from CCA and the Canadian International Development Agency (CIDA). Since those early days, the incomes of all the co-op members have risen steadily thanks to expanding production and a focused marketing plan. The construction of a cashew processing plant at San Ramon, to shell, dry and package the nuts, has added more than 40 badly needed jobs in the community.

More than 20 years of civil war have left their scars on the people of El Salvador. Just avoiding being killed in the crossfire during the violence was tough, says Contrera, who arrived at the co-op in 1982.

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*More than 20 years of civil war have left their scars on the people of El Salvador.*

## EL SALVADOR:

### CO-OPS AND CASHEWS (FROM PAGE 3)

“Members of my immediate family had been murdered and it felt like the noose was closing in on me also, so I left my village and came to San Ramon,” he says through a translator. “Like everyone who came here, we wanted a better life for our families.”

He says that neighbour turned against neighbour, using the civil war to settle old personal scores or an excuse to grab lands vacated by those fleeing the violence.

Contrera arrived in San Ramon shortly after the sweeping process of agrarian reform that led to the formation of many agricultural co-operatives across El Salvador in the early 1980s. Peasant farmers, who once worked as farm laborers for huge landowners, helped form co-operatives on land purchased by the government from their former employers.

While the formation of co-operatives improved the lives of peasant farmers, there were other obstacles to growth and prosperity.

Sadly, low commodity prices and lack of resources to pay for the necessary inputs such as fertilizers meant incomes for the co-op’s members didn’t change significantly. While ownership had changed, the types of crop grown on the property had not. It was determined that what was needed was a new cash crop, something that would generate a solid stream of income for San Ramon’s members.

With technical and financial help from the partnership of the CCA and FESACORA, San Ramon and other neighbouring co-ops began revitalizing long abandoned cashew plantations and planting new ones. As emphasis was placed on cashew production, farmers gradually began to see their incomes rise.

“When the co-op started, we carried on growing the old traditional crops like sugar cane, cotton and corn,” says Juan Pablo Martinez, president of the San Ramon Co-operative. “Cashews

had always been around it seems to me, but we never realized their value.”

Crop production increased steadily to fill expanding order books. Hefty production increases over the years has led to the society achieving 60 percent of the country’s output, most of which earns valuable export dollars. The society is also developing plans that would lead to the exploitation of the false fruit produced by the cashew tree.

The cashew nut grows out the base of the false fruit, a juicy pear-shaped fruit that turns golden orange when ripe and has a high vitamin C content. The fruit is now used only locally, however, co-op members feel they can develop the resource in the production of jams and marmalades.

***“Cashews had always been around it seems to me, but we never realized their value.”***

While the focus on cashew production has improved lives of co-op producers, there are still problems facing farmers, says Maeto Rendon, general manager of FESACORA.

He says that when peasant farmers banded together to form the co-ops they were left with huge debts and insufficient resources and experience to handle the change. Rendon says continued lack of government support for farmers has added to the problem.

“It is still not an easy road that co-op members travel,” he explains. “The temptation to sell their land is ever present, and that would be a disaster.”

The co-operative system offers the individual farmer far more long-term security, adds Rendon. The society’s cashew production, and the development of new projects such as processing and distributing the nut’s false fruit, demonstrate what can be achieved when farmers work together. ■

*Peter Wilson is a reporter/photographer with The Star Phoenix in Saskatoon, and a regular contributor to International Development Digest.*

## UKRAINE: RE-LIGHTING THE FLAME AT ITS SOURCE

After a three year hiatus, the Canadian Co-operative Association (CCA) and the Council of Ukrainian Credit Unions of Canada (CUCUC) are returning to Ukraine to work with the burgeoning credit union system in that country.

Between 1992 and 2001, the organizations together managed two successive projects, both funded by the Canadian International Development Agency (CIDA), which re-introduced credit unions to Ukraine. Now, after a period of explosive credit union growth, CCA and CUCUC have signed a new project agreement with CIDA to help move the Ukraine credit union system to the next level as a sound, safe, modern credit union system.

During the past 12 years Olha Zaverucha Swyntuch has been a witness to the changes in Ukraine. Now the Chairperson of the Council of Ukrainian Credit Unions of Canada, she was part of the first exploratory mission to Ukraine

in 1992. In 1993 she started a two-and-a-half year stint as the first project staff person to be stationed in Ukraine. She says the growth of credit unions in Ukraine can be credited, in part, to a rich co-operative history in that country.

“In the first decades of the Twentieth Century there were more than 3,000 credit unions in Ukraine,” she says. “They were part of an extensive co-operative movement that represented a substantial part of the Ukraine economy.”

“In 1992 we had a mission to see if it was feasible to re-introduce credit unions. There was nothing left of the co-operative movement, and there was a negative feeling toward the soviet communal farms which were called co-operatives. However, in some areas there were older people who remembered the co-operative movement.”

At the time, banks would not do business with individuals. Work-place savings clubs, where each month a different member received a loan from the collected savings of the group, were the only sources of credit for most people. Those simple clubs also offered an important springboard for the creation of credit unions.

The early years were difficult. In the fall of 1993, when Ms. Swyntuch was newly installed as project manager in Kyiv, inflation was running at 1,000 percent per month. The central systems which supplied heat to the apartments and other buildings were particularly unreliable, and credit union meetings were often held in a huddle around a single electric heater. In Olha’s building, as with most others, it was impossible to keep light bulbs in the hallways. Money was so tight that people could not afford to buy such luxuries, so they helped themselves.

Today the cities of Ukraine are modern and bustling. Financial institutions compete for consumer business, and where there were no credit unions in 1992, there are now over 300. New legislation is in place – a direct result of the last CCA/CUCUC project – and the new government unit that regulates credit unions has asked that all credit unions re-register.

*“In the first decades of the Twentieth Century there were more than 3,000 credit unions in Ukraine.”*



OLHA ZAWERUCHA SWYNTUCH, CHAIRPERSON OF THE COUNCIL OF UKRAINIAN CREDIT UNIONS OF CANADA, SHAKES HANDS WITH CCA SENIOR DIRECTOR OF DEVELOPMENT JO-ANNE FERGUSON AT THE OFFICIAL LAUNCH OF THE UKRAINIAN CREDIT UNION STRENGTHENING PROJECT HELD IN OTTAWA LAST MAY. STANDING (L TO R) KATHLEEN SPEAKE, CCA DIRECTOR ASIA AND EASTERN EUROPE, BOHDAN KOZY, PROJECT MANAGER EASTERN EUROPE, AND TARAS PIDZAMECKY, CEO OF UKRAINIAN CREDIT UNION LTD. PHOTO: DAVID SHANKS

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## UKRAINE:

### RE-LIGHTING THE FLAME (FROM PAGE 5)

So far 300 have done so. Of those, 160 are directly affiliated with Ukrainian National Association of Savings and Credit Unions, CCA's partner in the new project.

"Now we must professionalize the system," Ms. Swyntuch says. "It is important to make the existing credit unions safer and sounder. We must ensure that people's funds are safe." That means developing a stabilization fund and deposit guarantee system. As well, it is important to ensure professional management within the credit union system.

And that is where the Council of Ukrainian Credit Unions of Canada shines. Over the past 12 years, the Council has been able to offer the expert assistance of numerous Ukrainian-speaking Canadian credit union professionals.

As well, employees from Ukrainian credit unions have been able to spend time in Canada honing their skills.

*"It is important to make the existing credit unions safer and sounder."*

"Ukrainian people brought the credit union idea with them when they came to this country," Ms. Swyntuch says, "and those credit unions, in turn, helped so many Ukrainian immigrants get established when they arrived here. Now we are giving something back. We are re-lighting the flame at its source."

The new Ukraine Credit Unions Strengthening Program (UCUSP) was launched in May, 2004. CIDA will contribute \$4.3 million over five years. ■

## CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA:

### CARE GIVERS USE CO-OP MODEL TO HELP IN FIGHT AGAINST AIDS



In April of this year, Marian Lucas Jefferies, a nurse and member of the Canadian Worker Co-op Federation from New Brunswick, undertook an assignment in South Africa for the Canadian Co-operative Association (CCA). Her mission was to evaluate and offer training to the Soweto Home-Based Care Givers Co-operative, previously funded by the Co-operative Development Foundation in conjunction with the Canadian International Development Agency (CIDA). The Soweto Co-op's 11 worker/owners provide home care for people suffering from AIDS and other diseases.

"The effectiveness of the project made me so proud of the co-op movement," says Ms. Lucas Jefferies. "The circumstances under which these women work is heartbreaking. They care for more than 300 patients and 200 orphans, the vast majority of whom live in abject poverty. Some of the patients and orphans are their family members, their neighbours and friends. These dedicated care givers deal with death every day, and more often than not it is the young patients in their 20s and 30s who die."

MARION LUCAS JEFFERIES WAS IN SOUTH AFRICA ON A CCA ASSIGNMENT TO EVALUATE AND OFFER TRAINING TO THE SOWETO HOME-BASED CARE GIVERS CO-OPERATIVE FOR CCA. PHOTO: PULENG LENKA BULA

Ms. Lucas Jefferies says despite their overwhelming circumstances, these co-op women have been empowered and educated through their experiences.

On April 1, the government of South Africa finally began to distribute anti-retro-viral drugs to help fight the pandemic, but the need for support of AIDS victims will continue for years.

“Right now there are approximately seven million people dying of AIDS in South Africa, a country with a population of 45 million,” says Ms. Lucas Jefferies. “They need education for prevention,

medication and home care. Home-based care is essential and the co-operative model provides an effective and efficient mechanism for delivering that care.”

CCA also supports AIDS awareness initiatives in Ghana where we work with the Credit Union Association of Ghana to promote awareness through credit union members. Plans are in place to extend this work into communities where selected credit unions are located, to elementary, junior and senior high schools where school savings clubs are located, and to some industrial areas. ■

*These co-op women have been empowered and educated through their experiences.*

## WE DONATE TO CDF... WON'T YOU CONSIDER DOING THE SAME?

The Co-operative Development Foundation (CDF) raises funds from individuals, credit unions and co-operatives to support the international development work of the Canadian Co-operative Association (CCA).

We would like to encourage more individuals to become donors. Following are brief statements from three of our existing donors about why they donate.

**Wayne McLeod**, CEO of Westoba Credit Union and CDF President, went to El Salvador last winter as part of a follow up visit to partners after the two earthquakes of 2001.

“My visit to El Salvador opened my eyes to two things. One was the extent of the poverty, and the other was the effectiveness of the co-operative model in organizing people, in agricultural production, and in providing credit and the other resources they so desperately need. With our help, their communities become healthier and stronger.

I also realized how important it is to support the fundraising efforts of CDF which makes this work possible. Not only do I encourage my colleagues in the credit union movement to give as corporate entities, but also to give personally as I do.”

**Myrna Bentley**, President and CEO, Co-operative Trust Company of Canada, has been a personal contributor to CDF for a number of years through the monthly giving program.

“There are so many choices for charitable giving available to us all,” she notes, “but for me the choice of which organization to give my donation to was an easy one. I’ve been committed to the co-op sector for 30 years, all my working life, so it made perfect sense to focus my personal giving there as well. Giving to CDF is one other way I can continue with that lifetime commitment. I also believe that while charity begins at home, it doesn’t end there. We all contribute at home but I know that the co-operative way is a really effective means of improving the lives of people in developing countries as well.”

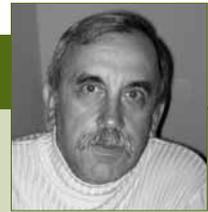
**Joe Dierker** with McDougall Gauley in Saskatoon comments, “A gift to CDF is a gift not only to improve the immediate life circumstances of a person, but also carries with it a lifestyle, one of co-operation and mutual help. Learning to work together to improve the life of a community brings with it the seeds of trust and mutual respect and, with that, the chance of peace.”

To make a donation, visit our website at [www.cdfcanada.coop](http://www.cdfcanada.coop) or use the form on the back page of this issue of Digest. For more information on the different ways of contributing, please contact Lee Seymour, Manager, CDF at (613) 238-6711 Extension 215 or [lee.seymour@coopscanada.coop](mailto:lee.seymour@coopscanada.coop) ■



CDF PRESIDENT WAYNE MCLEOD (LEFT) DISCUSSES PRODUCTION ISSUES WITH VICTOR BALLESTERO, MANAGER OF SOCIEDAD COOPERATIVA PRODUCTOS DE MARAÑON WHILE VISITING EARTHQUAKE STRICKEN VILLAGES IN EL SALVADOR. PHOTO: JO-ANNE FERGUSON

*For me the choice of which organization to give my donation to was an easy one.*



## RETURNING TO UKRAINE HOLDS ADDED MEANING

At the beginning of August of this year I embarked on a most interesting adventure when I moved to Kyiv, Ukraine to begin my stint as manager of a new CIDA sponsored project whose primary aim is the strengthening of the credit union system in Ukraine. The move, aside from the obvious satisfaction of being part of an effort that will have significant benefit for the population of a developing country facing difficult financial and economic challenges, also holds an extra layer of meaning for me personally.

Some seventy-five years ago my father, a young man barely out of his teens, immigrated to Canada from Ukraine. To be accurate, Ukraine did not officially exist at the time – western Ukraine where my father came from was then officially a part of Poland, whereas eastern Ukraine was part of the Soviet empire. My father left Ukraine seeking to attain both personal and economic freedom – goals which he rightly perceived were unattainable at that time in Ukraine. Initially, Canada hardly proved to be the land of opportunity he had been led to believe, for he arrived just as the Great Depression started to wreak havoc on the world's economies. His first decade was an endless struggle to find work, and he criss-crossed Canada several times, hopping freight trains as did countless hundreds of thousands of the unemployed at the time. He found temporary work in lumber camps in BC, on the farms of the prairies, and in the mines of northern Ontario and Quebec. Throughout it all, he never gave up hope, and over the course of time developed a great love for Canada as a country and the richness and variety of its culture and its peoples.

When the Second World War came along he joined the Canadian army and proudly served on the great battlefields of Europe. After the war, he settled down, got married and set about the serious task of raising a family. In this, he succeeded too, living to see his two sons and daughter through college or university, start their own families, and attain an upper middle class existence that was much more than he could ever have hoped for when he first landed on this country's shores.

Throughout everything, he never forgot his Ukrainian roots. The extended family he left behind was always on his mind and he regularly sent them whatever aid he could manage. He was active in the Ukrainian community and consistently encouraged his children to learn, appreciate and maintain the rich legacy of Ukrainian culture. Part of this was belonging to the local Ukrainian credit union, a financial structure created by self-reliant immigrants like himself to serve the needs of their new community when the traditional financial institutions showed little interest in doing so. This was a tradition he passed on to me.

I got my first credit union account when I was still in my teens, and have been a member all of my adult life. It has been an integral part of both my personal life as well as in my organizational involvement in the Ukrainian community. For the past five years I have also been a member of the Audit Committee of the largest Ukrainian credit union in Canada, and most recently its chair.

Therefore, when the opportunity came along for me to get involved in this credit union project in Ukraine, I could not help

but feel that there was a certain aura of predestination to it. There is also a certain sense of logical completeness to it all, not to mention a touch of irony. My father left Ukraine to build a better future for himself, and now I have returned to Ukraine to help build a better future for the country and its peoples.

CCA and the Council of Ukrainian Credit Unions of Canada have been involved for over a decade now in reviving the credit union movement in Ukraine. Over 300 credit unions now exist in the country. They have reached the stage where there is a pressing need to develop the regional and national support infrastructures that will enable them to grow and expand their products and services within a stable, secure environment and with a high degree of professionalism and efficiency. Key issues that this latest project will be addressing are stabilization funds, deposit insurance, liquidity management, governance and micro-financing. The focus will be on doing this increasingly through local and regional support structures.

As in all developing countries, there is no shortage of challenges and difficulties to be overcome. However, through the combination of Canadian experience and resources with local Ukrainian skills, initiative and hard work, I have no doubt that the project will succeed. This type of mutual effort reflects the essence of what the co-operative movement is all about.

*Walter Kish is CCA field manager for the Ukrainian Credit Union Strengthening Project and is based in Kyiv.*



Canadian Co-operative Association

275 Bank Street, Suite 400, Ottawa, ON K2P 2L6  
Tel: 613 238-6711, ext. 207 • Toll Free: 1 866 266-7677  
[www.coopscanada.coop](http://www.coopscanada.coop) • [communications@coopscanada.coop](mailto:communications@coopscanada.coop)



275 Bank Street, Suite 400, Ottawa, ON K2P 2L6  
Tel: 613 238-6711, ext. 215 • Toll Free: 1 866 266-7677  
[www.cdfcanada.coop](http://www.cdfcanada.coop) • [cdf@coopscanada.coop](mailto:cdf@coopscanada.coop)

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