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Community Hours Bank, Capilla del Monte *Argentina*

Good Practice

New for 2002

Categories: Children and Youth:
- vulnerable groups
Poverty Eradication:
- income generation
- job creation
- vocational training
Social Services:
- education

Level of Activity: Neighbourhood

Ecosystem: Arid/Semi-Arid

Summary

The Community Hours Bank is a financial institution system created for the purpose of supporting a Co-operative School and giving loans to the community members unable to access formal financial institutions. Small-scale enterprises can also access soft loans to improve their productivity. It is a way of promoting commitment of volunteers thus generating social and cultural capital by the practical use of "the institutional currency".

The Co-operative issue grants from its reserves to needy community members and is in return supported by the work done by each of its members and by in-kind donations obtained through strategic associations with enterprises.

What is creative about this idea is the way resources are mobilised and strategically disbursed. 80% of the families who form the Co-operative are by default shut out of formal financial institutions. All the families contribute to the Co-operative through this system which allows them to repay loans through contributions in kinds.

The Co-operative gets 40% of its human resources through the Bank. After receiving a prize in a National Contest for Innovative Ideas, our system has since been publicized through the mass media and consequently we are being requested to transfer the model in different places throughout the country.

Capilla del Monte's Town Hall has decided to implement it within its Integral Development Plan come the year 2002.

Narrative

SITUATION BEFORE THE INITIATIVE BEGAN.

There was a problem concerning ways of capitalising on volunteer associations during a national crisis. There were questions as to how a group of families outside the formal economic system could set up a non-profit organization, a kindergarten or even a primary school without the necessary financial and technological resources. People had to look for ways of organising themselves to fulfill their economic needs, the financial stringency in Argentina notwithstanding.

ESTABLISHMENT OF PRIORITIES

This initiative is carried out by a group of 40 families. However, before doing anything, the initiative had to undergo legal procedures in a bid to legitimise it. Top on our priority list was the education of our children. We therefore came up with the idea of starting a kindergarten and primary school. As it were, only the government and the catholic church had the requisite funds needed in such a project, that involved provision of free education. For this reason, we sought to maximise the readily available resources.

Our main strategy was the achievement of a firm consensus on which the basis of our institutional economy was established. We created a fund development strategy supported mainly by our production capacity and by associations with friends, akin foundations, donating enterprises and municipal sponsoring.

MOBILISATION OF RESOURCES

All along, we got pedagogical advice from experienced educators who supported the initiative because they found it innovative, authentic and bold.

From the start we knew that the economic profile of the families integrating the Cooperative was far from being the best suited to carry out the project, so we implemented various ways in obtaining resources.

30% of the funds required come from the community's members who contribute a certain amount towards the project. Another 40% comes from micro undertakings in an association between parents and the Cooperative (for example the packaging and distribution of organic local honey), donations from private persons and enterprises and donations in kind from strategic associations. A further 40% is obtained from the Community's Hours Bank.

PROCESS

In order to develop our cooperative's activities optimally, we made a long list of functions, whose execution could not be carried out within our budget. These include:

Administration

Secretariat

Building maintenance

Caring for the children

Gardening

Acquisition of teaching materials

Coordination of Micro-enterprises

Special teaching (weaving, carpentry, painting, folk dancing, etc)

The approximate cost of the above listed functions was US\$ 600 per month. When we divided this sum with the number of families living in this community, we realised that if we were to rely on the community members, each family would have to contribute US\$15. Owing to the employment rate (25%) and high level of poverty, we considered this sum too high to ask for.

To solve the problem of unemployment, we encouraged people to apply for jobs in the primary school and kindergarten for a pay of US\$15 per month. It was hard to determine what amount of goods and

services were equivalent to work done. As a result, we created our own currency, the Cossetton.

We set aside a value of US\$ 3 per hour. To determine this value, an average of the value of the work /hour of non-professional activities in our area was established, presented to an associates assembly and agreed on.

Each family has their Community Work Book where the number of hours that one has worked for the Cooperative are written down. With these values the families can have access to the products and services administered by the Store House and they can also transfer them to another family in exchange for some service or goods. The values of the transactions between families are not regulated as they are of a private nature.

A monthly bulletin is issued in which the products and services offered within the net are listed and exchange fairs organized every fortnight.

After only 3 years of practice, we have achieved great acknowledgement within the social sector and new participants have joined us. Some neighbours contribute a monthly fee of US\$5. Enterprise donations strengthen the currency and stimulate the development of capacities in vulnerable groups which improve their services to have access to better pay. Parents' associations of the local schools are learning the way our system works and are willing to implement it. Different non-governmental organizations are also eager to implement it. These include: the Fire Brigade, the Hospital Cooperative Association, Neighbour Unions, Senior Citizens, Food Providing Organization, etc. This demand for transferability encourages us to strengthen the model and generate the necessary capacities.

RESULTS ACHIEVED

1. The Cooperative has generated 5 new jobs and a local market which stimulates self-employment and is expanding rapidly.
2. The lease agreement for the building has been renewed for three more years.
3. New agreements with the Mayor have been made which ensure a wider range of activities.
4. The 'Hours Bank' allows 100% availability of the associates' human resources and maximum effectiveness.
5. None of the families have experienced cases of delayed payment.
6. The mass media is divulging the idea because it is considered the initiative very useful.

Our symbolic capital has been empowered by the use of our own currency which is not aimed at acquiring exchange value outside our community, but allows us to fulfill our collective dreams through a time of national crisis.

SUSTAINABILITY

Our educational proposal aims at the development of a commitment with both the society and the environment as a transversal axis. By working together to support the school, we are creating cultural cohesion and development. School enrolment has increased by 30% in a year. The sustainability of this initiative can be seen in the following ways:

1. 3 micro-enterprises have been created which provide services within our institutional market.
2. 60 families are taking part in our new community market.
3. Mass consume enterprises such as Unilever S.A. have assisted us through contributing products for home and personal care.
4. The 'Community Hours Bank' is now part of the training in a Post Graduate Course on Social Economy Organizations in the National University.
5. Social Organizations and the Town Council have sought our advice in implementing the Bank locally.

LESSONS LEARNED

The 'Community Hours Bank' generates capacities within the vulnerable groups, re-integrating them to the community as transformers of their own reality and that of their environment.

We have learned that every person has something to contribute to any development initiative. It could be said that the 'Community Hours Bank' is really a Donation Bank where everyone contributes.

This proposal allows everyone to benefit doubly since on the one hand a new market to interact with is created, and on the other, they advance towards common purposes.

Each one becomes a wealth generator and thus the "target population" is activated and takes part in realising objectives that both transcend and include them.

This system can help develop more efficient solidarity and at the same time protect the volunteers. This does not only aim at improving the external standard of living but also creates awareness, associating individual achievements with organization missions which have surged to compensate for the tasks the government has ceased to fulfill. By creating a local currency sustained by authentic values, a new collective agreement on the concept of wealth is achieved.

Argentina is going through the worst crisis of recent times. People have lost confidence in their representatives and the world has lost confidence in Argentina. Only civil society organizations have efficiently taken on public affairs. What we are doing with our small Cooperative is to reconstruct the social and cultural resources.

TRANSFERABILITY

The initial proposal of developing an institutional currency to reach the targets of the Cooperative has transcended this purpose by giving support to the member families and the associated neighbors.

In 200, we are going to implement an 'Hours Bank' in each of the social organizations of the town. Each organization will collect their own work certificates thus strengthening their institutions. These certificates will be rendered to the Central Administration in exchange for "SOLES", the local currency. That is to say that all the organization will use the same currency.

The Central Administration will be composed of representatives of the social organizations and both the public and private sectors.

Donations from other towns or mass consume enterprises will be used to fortify the local currency encouraging self employment and improving competitiveness within the local market. The Central Administration will ensure that control the issuing always has the support of products and services.

The 'Community Hours Bank' has been awarded the first prize in the National Contest for Innovative Ideas on Resource Impounding within Social Organizations funded by "Ashoka Foundation".

National Newspapers have published some detailed articles about our proposal which have triggered a great demand for information and training. Unfortunately the Cooperative lacks technological, financial and human resources to develop such an activity.

In order to transfer the model we have contacted two foreign Foundations who could support us to sustain the work team and prepare the teaching material on a full time dedication basis.

Key Dates

1. March 3, 1998: classes begin.
2. March 1999: The Community Hours Bank started.

3. July 1999: The first donation in kind was received.
4. August 1999: The Cooperative Constituent Assembly was held
5. December 26, 2001: We were awarded a prize in a National Contest for innovative ideas on resource impounding by socially oriented organisations

References

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Type of Organization: Local Authority

Type of Partner Support: Political Support

Financial Profile

| Year | Total Budget (US\$) | Cooperative | foundations <i>CIPPEC , Ashoka</i> | Private <i>Sector</i> | Individuals |
|------|---------------------|-------------|---------------------------------------|--------------------------|-------------|
| 1998 | 20.000 | 60 % | Â | 20 % | 20 % |
| 1999 | 25.000 | 60 % | 10 % | 15% | 15 % |
| 2000 | 30000 | 60 % | 15 % | 15% | 10 % |
| 2001 | 40.000 | 60 % | 20 % | 10 % | 10 % |

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