Draft Concept
Community Cooperation System Using A
Contribution-Based Accounting System

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Problem Statement:

In field research and program activity in East Timor, the problem of "Free-Ridership", where some individuals do not contribute to a project which is of benefit to them, often results in the project not being implemented. An example of such a project may be a shared water source. Those who are willing to contribute their time and labor to such a project are reluctant to do so, when they know that others are not willing to contribute to such a project without a valid reason.

Also, people with skills are often expected to be the people who contribute. For example, people experienced in carpentry, concrete or metalwork are expected to do the bulk of the labor, which may include basic labor such as digging, mixing, rockmoving, etc.

Summary:

A system for recording contributions is needed, so that each person or family who benefits from a project is responsible for contributing to it. Thus, each person who contributes receives recognition for it, and each person who does not contribute is responsible, in some way to be determined by the community, to those who do.

Background:

Mutual Cooperation is an ancient cultural practice in East Timor, as it is throughout Southeast Asia. However, this system has been exploited by the Government of Indonesia in its campaigns of forced labor. Thus, the traditional system of mutual cooperation has been downgraded, as it carries associations with Indonesian Times. In the newly liberated country of East Timor, such memories are harsh and persist.

In Bali, the Banjar System of Mutual Cooperation remains strong. In this system, people who contribute to projects receive a ticket or receipt in return for their contribution. At the end of the year, or some period set by the Banjar Coordinator, there is a clearing of accounts. Those who contributed present their receipts. Those who did not are charged either in money or goods, which is distributed by share to those who contributed. Thus, the system is fair, transparent and strong to this day.

Rationale:

A system for recording contributions to projects, which includes a system for recording those who benefit from, and are thus responsible for the project, would encourage people to contribute, and end the problem of "free-ridership" in development projects. Such a system may support other forms of cooperative activity, encouraging transparency, responsibility and the contribution of all people, in the way that is most appropriate for them.

Project Goal:

To record time contributed to a project, and to facilitate an "end of project" clearing to ensure the equal contribution of all participants.

Project Purpose:

1. To record individuals responsible for a project.
2. To establish an agreement on amounts to be contributed in terms of time, material and skill.
3. To establish a clear and transparent recording system for contributions.

Project Results:

1. Contributions are properly recorded as a credit to the giver's account.
2. The Project's Accounts are cleared at the end of the project or term set by the Coordinator.
3. Contribution of time, materials and skills towards projects increases.

Process:

1. A meeting is held at which the Projects are determined and the time/materials/money/skills are budgeted. An equivalent value is established, ie. One hour = 1/4 bag of cement = $.75 US = ½ skilled labour = 1 Equivalent Value)
2. A contract is prepared and signed by each of the participants.
3. Contributions can be made in blocks of time, which have been agreed to by the participants as being worth so much money or goods or skilled time.
4. A Contribution Ledger is created with the following columns:Date, Individual, Activity, Amount, Equivalent, Signature.

Date	Individual	Activity	Amount	Equivalent	Signature
Aug. 5	Jose Gusmao	Community Water Project	3 hours general labor		

5. Each day the individual contributes to the project, the ledger is updated and signed by the Individual. Those who contribute money, skills or goods to the project also have their contributions written into the amount column. The Equivalent Column is left blank until the end of the project.
6. When the activity is complete, a line is drawn across the bottom of the ledger and each person's name is listed. The total of their contributions are listed in the amount column.
7. The Equivalent Value of each person's contribution is listed in the Equivalent Column.
8. Each Person's Equivalent Value contribution is added up and listed at the bottom of the Equivalent Value column, and divided by the number of people to provide the Average Contribution. This is written at the bottom of the Equivalent Value Column
9. Each Person's contribution is referenced against this Average Contribution, which means that they may be entitled to receive additional shares for their extra work if they have contributed more than the average, or, they may be required to contribute more to the project, if they have contributed less than the average. The two sides of this average are always equal.
10. Contribution amounts owing to the project are received by the coordinator and distributed to those who are entitled to receive additional shares.
11. Once this process is complete, the project is closed.

<u>Potential Disadvantage:</u>

This program requires an honest and trusted Coordinator/Bookkeeper, who is at the project location every day and hour that work takes place.

<u>Conclusion:</u>

One of the weaknesses of development programs is motivating people to contribute their time, money, goods or skills to a community project. The problem of free-ridership is a significant one in some areas, especially perhaps in post-conflict situations such as in East Timor. The solution generally involves an external organization paying everyone to work, but this establishes the routine for years to come: nothing starts or gets done unless people are paid all the way through. This is not always possible, and some communities are neglected between the times that external organizations come through with another project and enough money to finish the job.

By implementing systems which build upon and strengthen traditional forms of cooperation and reciprocation, introducing concepts of transparency and collective responsibility, it may be possible to motivate the community to work for everyone's benefit. In the end, the cost of the program is likely much less than it would be if it were implemented by an external organization, the results are likely better and longer-lasting, and a culture of self-development is created which renews and strengthens traditional systems while involving the people as the subject of development, and not just the object as typically happens with external development processes.