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RACE MATHEWS
**BUILDING
THE SOCIETY
OF EQUALS**

Worker Co-operatives
and the A.L.P.

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OF EQUALS
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and the A.L.P.**

by Race Mathews

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This is a reproduced copy of the original publication.

For Bob Murray

who prodded me into drawing together the proof that worker
co-operatives are a practical proposition.

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BUILDING THE SOCIETY OF EQUALS

Worker co-operatives and the A.L.P

Most of us never control the way our daily work is done, or the use to which it is put. Nor are the profits or losses our own.

Worker co-operatives are different. The workers in a worker co-operative are all member-owners, and membership cannot be held by anybody else. Everybody participates on an equal footing in making the decisions, benefits equally when there is a profit, and sacrifices equally when there is a loss.

The Mondragon Group of worker co-operatives in the Basque region of Spain is owned by 17,000 workers spread over ninety-six separate enterprises, with an annual turnover in excess of \$400 million. The Group's immensely successful bank is a worker co-operative, as are its facilities for research and development, education, housing, health care and social security. France has 900 co-operatives owned largely by the 35,000 people who work in them, and in Italy there are 5,000 co-operatives with ownership shared by a 350,000 strong workforce. Hundreds of thousands of Danes, Israelis, Poles, Portuguese, Swedes, Swiss, West Germans and Yugoslavs are worker co-operative members.

Worker co-operatives are an old idea which has taken on new interest — for good reasons. All around the developed world there is rising anger and frustration over the apparent inability of capitalism, communism and the mixed economy to cope with such economic problems as inflation, unemployment and excessive

interest rates. We are all acutely aware that there is something appallingly wrong with a situation where a nation as richly endowed as Australia has up to one in every seven of its citizens eking out a precarious existence below an austere poverty line; where 10% and more of those who want jobs are unable to find them; and every form of job-creating activity — from building a house to starting a business — can be obstructed or aborted by the high price of money.

Nor is this all. As our economic difficulties have dragged on, with still no end in sight, their social costs have increased exponentially. This is apparent in the grim statistics of homeless young people, young people who have missed out on acquiring the habit of work, middle-aged people crushed by unexpected and irretrievable redundancy, unemployment-related family breakdown and unemployment-related crime. It cannot be assumed that our past good luck in avoiding a Watts or a Brixton will continue indefinitely. The existence of an under-class whose members are permanently unemployed or otherwise impoverished is rapidly becoming as real in Australia as in Britain and the United States. We are witnessing the growth of a similar potential for violence, in the pent-up rage of people who have been stripped capriciously of all self-confidence and hope for the future. The lesson for those who still remain well-off may well be that in the long run personal safety and social justice are indivisible.

Conservative commentators harp incessantly on how competing demands for higher incomes of all kinds, enhanced social benefits and capital investment have swamped increases in productivity and economic growth. Their account adds to the picture of our predicament without explaining it. The real question is why people behave as they do, and how change can be brought about. In fact, the structure of our society and its institutions leaves most of us with no alternative but to pursue courses of action which are economically self-defeating. There is no incentive for us to put extra effort into our work because overwhelmingly the benefit will be creamed off by others already far better off than ourselves. Any economic consequences of our attitudes and actions can be left to the boss, or the government, along with all the other economic issues we are never allowed to handle for ourselves. Advertising goads us unrelentingly to the pursuit of purchasing power and consumption at levels which can be achieved only at the expense of the jobs of our workmates or the reinvestment of capital on which society's future well-being depends.

At the same time, state capitalism as it is practised in most of the communist countries has been no more successful. There, too, the link between the economic interests of the individual and those of society has not been forged. For most people, work and drudgery are still the same thing. Their capacity remains underdeveloped and their commitment unengaged. It is bitterly ironic that, in the very places where exploitation and alienation were to have been eliminated,

we see instead apathy and cynicism expressed in the worst alcoholism in the world.

Worker co-operatives are a way of breaking out of these deadly economic dilemmas — first, for the growing number of groups who already are taking up the co-operative principle in response to its intrinsic commonsense appeal or their own unemployment; and later, through their example, for society as a whole. The co-operatives constitute a new alternative to the bankrupt dogmas of private and public sector enterprise, an alternative incomparably superior to its two competitors and with the capacity to run both of them into the ground.

The ideals of the worker co-operative movement are precisely those from which the Labor Movement arose. In the famous words of Victor Hugo, “Nothing in this world is so powerful as an idea whose time has come”.

ORIGINS

Worker co-operatives have not reached this point of promise easily.

Co-operation had been foreshadowed in Cromwell's time, when the Levellers applied co-operative principles to farming, and Peter Cornelius Ploekhoy set out in detail “a way to make the poor in these and other nations happy by bringing together a fit, suitable and well qualified people unto one Household-government or little Commonwealth”. The roots of the broad co-operation movement lie deep in the hunger, sweat and exploitation of Industrial Revolution in France and Britain, where decent men and women recoiled from the misery which was

inflicted in the name of progress, and looked for ways in which human dignity and decent living standards could be secured. Saint-Simon, Fourier and Bouchez in France, Owen in Britain and a host of other largely-forgotten figures thought through the concept with such effect that, by 1830, the editor of “The Co-operator”, William King, could point to 300 co-operative trading associations in business throughout Britain.

Some of the new bodies distributed goods on a co-operative basis, and some produced them, while in others production and distribution were combined. Initially most collapsed from inadequate capital, inadequate managerial skills and, perhaps an excess of idealism over pragmatism, but in 1884 the establishment of the Rochdale Society of Equitable Pioneers ushered in a new era, and won an enduring place in history for its twenty-eight founder members. The Society’s tiny general store in Toad Lane, Rochdale, opened at first on two evenings a week for the sale of small quantities of butter, sugar, flour, oatmeal and cakes. A year later membership had risen from 28 to 74 and capital from £28 to £171, while the stock had been expanded to include tea and tobacco, and the shop itself was opening every night in the working week.

An example had been set which other communities were quick to follow. Consumer co-operation was on its way to becoming the major force in retail trade now familiar in Britain and elsewhere.

At the same time, principles were identified which currently provide the International Co-operative Alliance with its basic operational philosophy.

Membership of a co-operative is voluntary, and open to any person who is willing to accept its responsibilities. Managers of co-operatives are elected or appointed by the members, and accountable to them. Return on shares is limited to a fixed interest rate, and any surplus is distributed among members in proportion to their participation in the form of work or purchases. A co-operative educates its members in the philosophy and practice of co-operation, and works together with other co-operatives at the local, national and international levels.

Later, features unique to *worker* co-operatives also began to emerge. All the workers in a worker co-operative are members, and all the members workers. There is an equal say for all in the making of decisions. The investor takes the worker’s place in accepting a fixed return for his capital, and the worker the investor’s entrepreneurial role, along with the profit or loss.

Where the worker co-operative principles were insufficiently understood or inadequately applied, initial success was sometimes a prelude to failure. The early prosperity of the Pioneers’ venture into the worker co-operative field — through the Rochdale Co-operative Manufacturing Society — was brought to nothing when greedy shareholders began splitting up the earnings among themselves, along lines which made the undertaking indistinguishable from its capitalist competitors. Co-operatives also continued to go under in the face of the familiar difficulties of obtaining adequate management and capital.

Experiences of both sorts had an immense influence on the thinking of

Sydney and Beatrice Webb, who, in their turn, shaped the attitudes of the Labour Party, the trade unions, and the co-operative movement itself. The Webbs concluded that any association of producers which set out to compete with capitalism on its own ground would either fail financially or adopt the capitalist values it was supposed to supplant. Largely as a result of these views, interest in workers co-operatives remained minimal among the groups who otherwise might have been their strongest advocates and supporters, long after the Webbs were dead.

For all practical purposes, while consumer co-operatives flourished in Britain, no new worker co-operatives were started there between 1914 and 1960. A handful of survivors from the earlier era had it left to them to bear continuing witness to the viability and tenacity of the worker co-operative ideal. The Walsell Locks co-operative was established in 1873, and today numbers among its customers major corporations such as British Leyland and the National Coal Board, Equity Shoes, with 210 workers, has been in business continuously since 1886, as has Leicester Printers, with 82 workers, since 1893.

FRANCE

Elsewhere the record has been more encouraging. In France, a surge of enthusiasm for worker co-operatives accompanied the revolution of 1848, and there were further upsurges of support in the 1860s and 1880s. Most of these bodies turned out to be unsuccessful, but the new century saw a steady

growth in the number of French worker co-operatives from 119 in 1901 to today's total of around 900. *L'Association des Ouvriers en Instruments de Precision* (AOIP), with 4000 workers, has been in business since 1896, and ranks currently as a leader of the French telephone equipment manufacturing industry. Hironnelle and Avenir are builder co-operatives, each with around 1000 workers; *L'Association des Ouvriers en Materiel Electrique* (ACOME), with 675 workers, is a major force in the copper wire industry; and *La Verrerie Ouvriers d'Albi* is the largest glass manufacturer in France. Over and above these five giants of the French co-operative scene, there are about 100 co-operatives with between 50 and 500 workers, and 500 more with up to 50 workers.

A significant number fall short of the "pure" work co-operative model, because they include workers who have not been admitted to membership. On the other hand, French law provides answers to some of the objections to worker co-operatives. At least two-thirds of the places on the board of a worker co-operative must be held by its workers. Where profits are distributed by a co-operative which includes non-members among its workforce, at least as large a share must go to the workforce as to the members. Any surplus left over where a co-operative has gone out of business must be passed on to another co-operative.

Where French co-operatives have collapsed, it has not been as a result of a takeover from within by capitalist values, as the Webbs feared, but again of slowness to accept appropriate

managerial skills and practices. Failure from capital shortfall is less common than in Britain, because up to half the French worker co-operatives are located in the building trades, which have relatively modest capital requirements. Orly Airport's Hilton Hotel was built by a worker co-operative.

ITALY

Italy experienced yet another pattern of development. As in France and Britain, the middle nineteenth century produced its crop of consumer co-operatives, but by the time the first federation of co-operatives — *Il Federazione dell Co-operative Italiane* — was established in 1887, worker co-operatives had multiplied to the point where they accounted for perhaps a third of its affiliates.

Again, as in France, half the newcomers were small co-operatives engaged in building or civil engineering. Far from faltering at the crucial stage, worker co-operative growth was sustained. The co-operatives built roads, bridges and harbours, carried out drainage schemes and — in at least one instance — constructed, owned and operated a regional railway. The expansion was assisted powerfully by important legal and political factors. In 1883, co-operatives were given legal recognition, together with valuable stamp duty concessions, and in 1889 they achieved the right to be granted contracts by public authorities without having submitted a competitive tender or put up a security bond. As a result, the period from 1896 to 1921 saw a rise in the

number of worker co-operatives from 46 to 2866, and by the nineteen-seventies, Italy had more worker co-operatives and worker co-operative members than any other country in Europe. Co-op Muratori Cementisti, with 3000 workers, and Co-op Edilter, with 1400 workers, are major building and civil engineering enterprises, while, in addition, the movement includes hundreds more co-operatives with between 50 and 500 workers, engaged not only in the construction industry but in manufacturing and the provision of services.

Politics have been good to the Italian worker co-operatives, because each of the nation's major parties has acquired a co-operative federation of its own, for which affiliates constantly have to be attracted and retained. The Christian Democrats, the Social Democrats and the Communists are linked with, respectively, *Il Confederazione Co-operative Italiane*, *Il Associazione Generale dell Co-operative Italiane*, and *La Lega Nazionale della Co-operative e Mutue*, which replaced the original *Federazione* in 1893 and today dwarfs both its competitors. The advantages of this political patronage emerged clearly in 1947, when new legislation confirmed all the existing entitlements of the movement while adding access to low interest loans and tax exemption for the interest paid to co-operative members on their capital. On the other hand, co-operatives are required to distribute half their profits to members, in the form either of cash or insurance and welfare credits. The assets of a dissolved co-operative cannot be distributed among its members, but are paid over instead for social projects.

MONDRAGON

In Spain this principle has been expanded, so that a worker co-operative is required by law to allocate 10% of each year's surplus to educational, cultural or sporting facilities for the community in which it is situated. The concept of community obligation has become one of several key features which makes Spain's co-operatives legislation the best in the world. Every worker in a Spanish worker co-operative is *by law* a member, as is every member a worker. A bank which obtains registration as a worker co-operative can offer higher interest rates on deposits than its commercial competitors. A new workers co-operative is entitled to a loan of 20% of its initial capital requirement, repayable at 3% over ten years.

The most significant beneficiary of these enlightened arrangements has been a remarkable group of worker co-operatives centred on Mondragon, in the Basque region. The Mondragon group had its start in 1956, when five young engineers threw up steady jobs with the town's largest factory in order to start a manufacturing venture of their own, along loosely democratic lines. Capital was obtained by pooling their personal savings, along with those of friends and relatives, and initially twenty-four people had jobs making simple oil stoves for the local market. Today, 96 worker co-operatives, each averaging 200 worker-members, are affiliated with the group, which raises capital internally through a worker co-operative bank (*Caja Laboral Popular*); keeps up with the demands of product innovation

and technological change through a research and development worker co-operative (*Centro de Investigaciones Tecnologicas*); provides a full range of welfare state benefits for its members through a social insurance worker co-operative (*Lagun Aro*); educates members' children through schools which are themselves a series of individual worker co-operatives; meets its needs for technical and professional work skills through a tertiary education worker co-operative (*Escuela Profesional Politecnica*), which incorporates a further internal manufacturing worker co-operative (*Alecoop*) where students are able, if they choose, to earn incomes well in excess of their fees; houses members through construction and civil engineering worker co-operatives; and operates supermarkets through co-operatives which combine the consumer co-operative and worker co-operative principles (*Eroski*).

In all, the Mondragon group has more than 17,000 worker-members, spread over 96 separate and self-governing worker co-operatives. ULGOR, with 3,500 worker-members, is the original 1956 worker co-operative, the largest single unit within the group, and the largest manufacturer of refrigerators, stoves, washing machines and other domestic appliances in Spain, while Danobat is the country's largest machine tools manufacturer.

This reflects a rate of expansion which has been truly remarkable. Between 1960 and 1967, an average of four new worker co-operatives were being added to the group each year, while since then an average of two co-operatives

have been added annually. In this way, about 800 new jobs have been created each year, mostly for duties which match considerable skill with capital-intensive technology. Each additional job created within the Mondragon group after 1974 has cost around \$40,000, reflecting the group's determination to lift still further its already impressively high overall level of technological sophistication. At the same time, only one co-operative within the group has ever failed, and there has been only one strike in the group's history.

The group's record of success reflects, in part, the key role which is played by its bank. The *Caja Laboral Popular* was established in 1959 by ULGOR, the Funcor foundry products worker co-operative, the Arraste machine tools worker co-operative, and the group's first co-operative store in response to a need to secure component supplies for ULGOR by absorbing two private-sector foundries in towns adjacent to Mondragon. Within a year, its interest rate advantage over competitors, in conjunction with the growing magic of the Mondragon name, had combined to bring about a far-reaching mobilisation of local savings. Between 1966 and 1982, the number of saving accounts held by the bank rose from 21,653 to 417,290, the total value of the accounts from 659.7 million pesetas to 118,270 million pesetas, and the bank's own capital from 60.5 million pesetas to 7347 million pesetas, in an overall performance immeasurably superior to comparable institutions in the private sector. As a result, since the early seventies the Mondragon group has not had to look outside for capital to

expand existing worker co-operatives or establish new ones.

In addition, the Bank performs key entrepreneurial, co-ordinating and planning roles. A group of workers who approach the bank with a proposal for a new worker co-operative are required to find themselves a manager for their venture, and agree with the Bank's advisory staff on the product to be manufactured. Next, the Manager works with a project supervisor from the bank on a series of feasibility studies geared to establishing in minute detail how the production process should be carried out and the product marketed. Finally, capital from the Bank, the State and the co-operative members themselves is assembled so that a site can be acquired, a building put up, and machinery brought into operation. The project supervisor continues to work with the new co-operative's management team for a further year or more while profitability is being achieved, and, after his departure, contact is maintained between the co-operative and the Bank on the basis of monthly statistical returns which enable analysts within the Bank to warn of impending problems before they assume unmanageable proportions.

The principle is that the potential of the worker co-operative movement can never be fully achieved or the capital of its members adequately protected in the absence of a body whose horizons are wider than those of the individual co-operative, and which can therefore foster, fund and bring to fruition new enterprises which otherwise would have to fend for themselves in isolation.

Equally, a key role is played by the requirement that would-be worker

co-operative members must raise a proportion of the capital from their own resources. An applicant for membership of a new co-operative must pay around \$4000 — the equivalent of several months' pay — with 20% as a contribution to collectively owned funds, and 80% for the purchase of an individual shareholding or capital account (which normally cannot be drawn against except on retirement, death or extreme compassionate grounds). Capital accounts have entered against them up to 70% of the profits the co-operative earns, or at least 70% of its losses, together with annual interest and periodic revaluation to compensate for inflationary eroding of the value of money. The balance of the surplus goes to increase the collective capital of the co-operative and honour its legal obligation for the support of local community projects. The member's personal worth, the worth of the co-operative to which he belongs, and the well-being of the community in which he and his family live all benefit proportionately with the effort, care and responsibility which the co-operative has contributed to it.

As well, members are guaranteed their jobs at wages which reflect the average level of the host community, with a requirement that the highest payment made can be no more than three times the lowest. For example, in the case of ULGOR, process workers are paid between 100% and 140% of the base rate; holders of professional positions or positions of special responsibility from 140% to 150%; junior to middle grade executives from 150% to 210%; and top executives from 210% to 300%.

Each of the members of a worker co-operative has an equal vote in its controlling General Assembly (*Junta General de Socios*). The Assembly, in its turn, elects to office for a four year period the co-operative's policy making body (*Junta Rectora*), consisting of nine members together with a president and two other office-bearers, while the executive function is delegated to a separate management team (*La Gerencia*). Co-ordination of the policy-making and management roles is achieved by having members from the respective bodies see one another regularly in meetings of an overall steering body (*Consejo de Director*) and a body responsible for shop floor issues such as industrial health and safety, working conditions and payments from the co-operative to the local community (*Consejo Social*).

The relationship of the Bank to the co-operatives and their worker-members, constitute a strong foundation on which the Mondragon group has been able to build spectacularly. Irrespective of whether the test is total sales, value added or profits earned, the group has performed at least as well as comparable private sector enterprises either in Spain or elsewhere in the developed world, while providing levels of job security, work satisfaction and social wage entitlement which totally overshadow those of the private sector.

Mondragon vindicates all the claims of the worker co-operative movement as triumphantly and conclusively as it refutes the critics. In light of Mondragon, nobody can now claim that the worker co-operative approach is incompatible with the demands of efficient

management, adequate capital formation, high technology or economic growth. On the contrary, these credentials are borne out not only by Mondragon itself, or the long-established worker co-operatives of countries like France and Italy, but by an impressive crop of newcomers which have sprung up over the quarter century since ULOOR's inception. This period has seen new worker co-operatives established and similar worker-owned enterprises proceeding with renewed vigour in many countries — including some, such as Australia, where the movement previously lacked roots.

BRITAIN: SCOTT BADER

In Britain, the start of a new era was signalled in 1951 when ownership of the Scott Bader chemicals and plastics manufacturing company began to pass from the firm's christian socialist founder, Ernest Bader, to his employees. The transfer became complete twelve years later in 1963, and subsequently the Scott Bader Commonwealth registered, for Companies Act purposes, as the Scott Bader Commonwealth Ltd and Scott Bader Company Ltd has consistently outperformed its private sector competitors in the rate of return earned on its capital, together with the levels at which wages and salaries have been paid, productivity lifted and industrial health and safety preserved.

In 1975, trail-blazing work in the field of polymer emulsion won Scott Bader a Queen's Award for industry, and licences for Scott Bader technology are on issue currently in a score of countries.

Scott Bader workers control the firm and preserve and perpetuate its democratic character by means of a tripartite system of government. A general meeting of all the organisation's members elects the Board of Directors, and also a Commonwealth Board of Management to exercise broad philosophical oversight of the organisation and its operations, administer membership matters and foster outside groups in establishing ventures of their own along Scott Bader lines. Results of the Board of Directors ballot are subject to ratification by a Community Council, made up of representatives elected separately through fifteen constituencies within the organisation, and responsible also for the final word on disciplinary issues and welfare functions such as sick pay and pensions.

Operation of the machinery of internal democracy has been characterised by high levels of financial restraint and social responsibility. Retention of profits for taxation and re-investment have characteristically been around a third above the 60% mandatory minimum, while half the remainder is taken up with gifts to charity and aid for new Scott Bader style ventures.

INDUSTRIAL COMMON OWNERSHIP

Before long, the fresh twist to traditional worker co-operative thinking was being talked about widely under the new label of "industrial common ownership". Scott Bader's tenure as a solitary example of what could be achieved was short-lived. Where one conventionally-structured

capitalist enterprise had passed into the hands of its workforce and begun operating successfully as an industrial democracy, others could follow.

A firm of fan and gas-flow gauge manufacturers, with 200 people employed in two factories at High Wycombe and branches overseas in Bonn and Toronto, converted to common ownership as Airflor Community. The twenty workers at Trylon Community Ltd took into common ownership the shareholding of a Nottinghamshire plastics firm, and the workers at Michael Jones Community Ltd took over the shareholding of a firm manufacturing high quality jewellery at Northampton. All these common ownership enterprises are built around the Scott Bader two-tier structure, with one company holding the capital and a second to carry on the business. Characteristically, their Articles of Association incorporate broad social goals as well as obligations to the membership, so that Scott Bader's commitment to charity and fostering new common ownership ventures is paralleled by Trylon Community Ltd's ear-marking the equivalent of 10% of its salary bill for projects such as aid to Honduras, Nigeria and Vietnam.

Inevitably, obstacles have been encountered and failures have occurred. Sunderlandia, a common ownership enterprise in the building and construction trade, nearly went down within four years of its inception because of a basic incompatibility between its own long-term needs and the short-term perspectives of the transient building workers who became members automatically under its constitution. In the fifteen-member

Rowen Community satisfied customers, full order books and a twelve year record of profitable involvement in the manufacture of outdoor furniture, metal fencing and aids for disabled people all failed to compensate for chronic management inadequacies or to avert the cash crisis which finally forced voluntary liquidation in 1977. Nevertheless, as early as 1958 a fully-fledged Industrial Common Ownership Movement had emerged in Britain, and in 1976 Parliament passed its Industrial Common Ownership Act, with legal definitions of common ownership and worker co-operative ventures provided for the first time, and authorisation for loans to the ventures and grants to organisations promoting an overall common ownership interest. The number of firms affiliated with the Industrial Common Ownership Movement doubled to about 100 within a few months of the passage of the Act, while the 22 new worker co-operatives registered in 1976 was more than all the registrations since World War II. Between 1975 and 1980, the number of worker co-operatives in England rose from 25 to 400, and in 1980 their turnover totalled £80 million.

JOB-SAVING CO-OPERATIVES

The impetus for conversion of conventional companies to common ownership gained further strength from the headlong rush to de-industrialisation which began hitting Britain in the middle seventies. As thousands of firms either closed their doors for good, or carried on precariously with the threat of closure

hanging constantly over their heads, groups of workers seized on the common ownership idea as a means of forestalling redundancy. Mostly, those concerned had had no previous interest or involvement in co-operatives. Although powerful moral and financial support was made available by Mr Anthony Wedgwood Benn, as the Callaghan Government's Industry Minister between February 1974 and July 1975, money for buying up the assets of the departed employers often had to be found from their own pockets and loans raised against personal assets, including even their homes. The task they were setting themselves was to succeed within the ambit of a capitalist society and economy at ventures where the capitalists themselves had failed.

In most cases, the odds against them proved to be insurmountable. The 600 journalists and printers who tried to keep afloat the *Scottish Daily News* were forced to abandon their worker co-operative when it was barely six months old, while an attempt by footwear workers at Fakenham Enterprises to save their jobs with a worker co-operative was longer-lived but no more successful. Elsewhere, however, job saving worker co-operatives such as Kirkby Manufacturing and Engineering and Meriden Motorcycles Ltd showed a staying power which speaks volumes for the potential of the worker co-operative movement.

At Kirkby, in 1974, 750 workers at the former Fisher-Bendix domestic appliance manufacturing complex established a worker co-operative to carry on the plant's production of domestic radiators, ventilation equipment, night

storage heaters and — incongruously — soft drinks. Productivity virtually doubled, and the co-operative was able to bring down the venture's weekly operating loss from £25,000 to £6,000 within a two year period. Sadly the gains fell short of ensuring survival in the face of the deepening world recession, and in 1980 the doors at Kirkby closed for the last time.

Meridan was a similar story, in all but the ending, which still remains in doubt. In 1975, about 700 members of the former Norton Villiers Triumph workforce were able to obtain £5 million in government grants and loans to establish the Meridan Motorcycles Ltd, worker co-operative, and revive the production of high quality Triumph bikes which the previous proprietors had abandoned. The new co-operative incurred losses totalling more than £2 million in the first thirty months of its life, but by early 1978 its situation had stabilised, and subsequently it began marketing bikes for itself where previously they had been marketed for it by Norton Villiers Triumph. Productivity rose from 21 bikes per man-year to 27, and in 1979 the co-operative was supplying Triumph Tiger bikes to the Devon and Cornwall police at prices a third below those of competitors in Europe. A five-person professional management team was able to win the confidence of the membership, and members continued to pay themselves wages which were around £10 below the prevailing local rate. But as at Kirkby, the going was made hard by depressed markets both domestically and in the United States, together with competitive disadvantages arising from the high value of sterling

and the low value of the yen. As orders fell away, the remaining 450 members of the co-operative were forced to accept a two-day working week, and in mid-1981 the government had to be approached for a rescheduling of £1.3 million in loan charges owed to the Export Credits Guarantee Department. Today the debts to the government have all been paid or written off, and the immediate crisis is once again over; but the threat remains that the co-operative could at any time be overtaken by Britain's continuing economic troubles, and finally follow into history Kirkby, Fakenham Enterprises and the *Scottish Daily News*.

Even if the worst eventuates in this way, the job-saving worker co-operatives will not have been in vain. They have demonstrated conclusively the capacity of working men and women to assume large responsibilities and take hard decisions where their livelihoods and right to work are at risk. Democratic structures have been evolved, the need for professional management skills has been recognised at the shop floor level, and wage restraint has been exercised in the interests of capital formation and other requirements for long-term survival.

Moreover, experience elsewhere suggest that where the job-saving co-operatives failed it was less from factors internal to themselves than from the lack of an established and pervasive infra-structure, such as those of the co-operative federations of France and Italy, from which moral support and practical assistance can be drawn in time of need. In France, the *Confederation Generale des Societes Co-operatives*

Ouvrieres de Production can point to an enviable record of jobs and firms salvaged from the ruins left behind by their former proprietors, while in Italy the *Lega Nazionale della Co-operative e Mutue* alone had to its credit by 1978 some 100 successful anti-redundancy conversions, representing around 10,000 jobs.

NEW SOUTH WALES

It has taken the current jobs crisis to have worker co-operatives taken seriously in Australia. While Australia's first co-operative was established as early as 1859, and the consumer, housing and credit cooperative movements are highly developed, attempts to form worker co-operatives remained sporadic and unsuccessful until 1976, when New South Wales elected a Labor government which was willing to incorporate the worker co-operative idea in its portfolio of schemes for combatting the consequences of unemployment. The New South Wales example was followed by Victoria's then Liberal government, and worker co-operatives geared to the needs of the unemployed have also been established in Tasmania, South Australia, Western Australia and the Australian Capital Territory. At the same time, conversion of conventional firms to worker co-operatives has given rise to successful ventures such as NVC Australia Pty. Ltd. in New South Wales, P.J. & P. Huckel Logging Pty. Ltd. in South Australia, and Modern Maid and Staff Ltd. in Victoria.

The New South Wales worker co-operative initiative arose in 1977 from a Youth Needs Taskforce, whose

booklet, "Operation Co-operation", appeared in 1978. The task force's recommendations were taken up in the Policy Unit of the Department of the Deputy Premier, and within months a three-year \$3 million worker co-operative development program had been adopted by the government, with a view to countering the serious dislocation caused by unemployment and to maintain motivation, self-respect and confidence of unemployed youth until employment comes along". The government's plan — "Youth Co-operatives: A Program for Unemployed Youth" further envisaged the co-operatives as a source of worker experience for young people who otherwise would have difficulty obtaining a job for the first time, a point of access for skill development programs and a means of promoting social contact and discussion of shared problems among the unemployed.

Administrative backup for the project was provided by the Department of Youth and Community Services, through a Project Administration Officer and an Advisory Committee consisting of representatives drawn from the Department of Labour and Industry Youth Employment Unit, the Technical and Further Education Department, and the New South Wales Council of Social Service. Areas were identified where public meetings could be held and the first co-operatives established, and, as groups came together, they were each allocated an establishment grant and the services of a full time Project Officer. Subsequently, these arrangements were further systematised, with the Minister receiving policy advice from a Workers'

Co-operative Development Committee, while government grants and loans were disbursed on the recommendation of a government Submissions Review Committee, from a pool held in trust for the government by the Co-operative Federation of N.S.W.

By the end of 1981, funding for a total 13 of eighteen worker co-operatives had been provided, with fourteen surviving as independent businesses. Workshop Industries in Wollongong currently has six worker-members and a \$10,000 monthly turnover from servicing of electronic appliances and equipment. Thirteen worker-members of the Hills Work Collective at Castle Hill turn over a monthly \$25,000 from pallet repair contracts, and in Mosman up to \$20,000 a month is turned over from lawn mower sales and service by the four worker-members of the Northern Beaches Pipeline Group. A mid-1982 evaluation revealed that, in 1981, the co-operatives had a total turnover of \$935,000, employed 98 full-time and 30 part-time workers and provided training, work experience and support for a further 247 workers. The project had enabled the co-operatives to accumulate capital assets totalling around \$400,000, created jobs at roughly half the cost normally incurred in small businesses, and saved the Government unemployment benefits in excess of 1700,000.

VICTORIA

Much the same sort of progress has been made in Victoria, where a Co-operative Development Program was launched in April 1981 by the

new Department of Employment and Training. In its first year the Victorian project was allocated \$600,000 to make grants to new co-operatives for wages, overheads, working capital and capital equipment. The Co-operative Federation of Victoria was funded to provide the co-operatives with a Business Advisory Service, and an Education and Training Unit for co-operatives and co-operative members was established within the Department's Vocational Orientation Centre. By June 1982, nineteen groups had had help from the project. Eight co-operatives were carrying on businesses for which project grants had been received, two were in business but had arranged for payment of their grants to be deferred, and there were three whose businesses still had to be started. In addition, a further six groups had completed feasibility studies on which to have their claims for assistance assessed in the 1982-83 financial year.

Whereas the N.S.W. Project has placed its emphasis on worker co-operatives, the emphasis in Victoria has been on co-operatives where control is divided between worker-members and members of the local community whose concern is to create job opportunities for the unemployed. Concern-based community employment co-operatives can benefit from being able to draw on extra local resources, but suffer as a result of the low priority their affairs may be assigned by directors whose livelihoods are not dependent on their success. Where unemployed people are recruited into a co-operative which allows them to feel like employees and not co-operators, the

sense of commitment which is vital to the co-operative's success as a business venture may be stillborn.

Currently, eleven of the nineteen co-operatives funded under the Victorian project are concern-based community employment co-operatives, with a total of 474 shareholders, and eight are worker co-operatives, with 174 shareholders. Public Images, with four worker-members employed in the production of outdoor murals, and the Goldfields Community Radio Co-op, with three members, exemplify worker co-operatives funded through the Victorian project, while the Maryborough Bootstraps Trading Co-operative, with four workers, is an example of the project's concern-based community employment co-operatives, as is the Loch Ard Trading Co-operative, with four workers, of a venture currently making the transition from a concern-based community employment co-operative to a worker co-operative.

NEW PERSPECTIVES

At present, a significant shift is taking place in how the N.S.W. and Victorian co-operatives are seen and what is expected of them. The early emphasis on co-operatives as a means of supporting unemployed young people "until employment comes along" has been replaced by a tougher-minded appreciation that, if work is to arrive at all, the co-operatives may have to create it for themselves. It is recognised, increasingly, that funding co-operatives with grants can produce dependent attitudes which are as incompatible with the whole spirit and value system of business success.

Victoria now attaches over-riding importance to its initial group of co-operatives becoming self-sufficient within the three year pilot phase period. With the conclusion of the N.S.W. project's three year pilot phase, new long-term arrangements for the fostering of future work co-operatives have been introduced. The goal of the project has been re-defined as "to assist groups of people to establish independent viable businesses in which ownership and control is vested in those who are actually working in the businesses, and is exercised in a democratic manner", while its objectives are stated now as "(1) to promote viable, independent Worker Co-operatives, particularly in areas of high unemployment, (2) to promote employment generation through Worker Co-operatives and (3) to promote the potential of work structures based on co-operative principles". In future, N.S.W. government grants and loans will be allocated and administered independently by Common Ownership Finance Pty, Ltd. — a company owned by the Co-operative Federation of New South Wales. The worker Co-operative Development Agency — a foundation funded annually with \$15,000 from the government — will provide co-operatives with management support, business advice, education services and training, and the government will continue to receive advice from its Worker Co-operative Development Committee.

CONVERSIONS

While the employment co-operatives have been carrying on the struggle to grow

and prosper in the face of such problems as largely unskilled labour, naive hostility to basic management, accounting and entrepreneurial requirements, and unfamiliarity with the principles and practice of co-operation, yet impressive results have been obtained where existing companies have made the conversion to quasi-worker co-operative structures, mostly in preference to closing down.

NVC Australia Ltd came into existence in 1979 when the fourteen employees of Sydney's Watson Victor hospital equipment and scientific apparatus manufacturing plant acquired the business from the parent Nicholas Group in Melbourne, which had issued redundancy notices in preparation for finally shutting the doors. A majority of NVC's shares must be owned by the workers, and every worker must be a shareholder, but some shares have had to be placed externally in order to raise adequate capital. Workers receive a monthly productivity bonus, while there is an upper equity limit of 10,000 shares which may be held by each worker, and 5000 shares by each outside investor. While a Board exists for Companies Act purposes, Board meetings are rare, and decisions are made mostly by the fortnightly Staff Meeting, and a Management Committee with three Board representatives and three elected from the shop floor. Productivity rose by 30.6% in the eight months following NVC's establishment, as a result of a 6.5% gain from the disappearance of absenteeism and a 24.1% gain from greater worker effectiveness. Currently, workforce commitment is enabling NVC to pull through where conventional small

businesses are going under. The major orders which the company received previously from Watson Victor and Townshend and Mercer have dried up, and work is having to be picked up where it can be found, in the form of "one-off" items of laboratory equipment, small runs of x-ray apparatus and a steady demand for security alarm cabinets and housings. A 45-hour week is being worked, and cash payment of productivity bonuses has had to be suspended, but, on the brighter side, there have been no redundancies, and a 3% dividend for 1981-82 has been declared.

In March 1978, the South Australian Unit for Industrial Democracy was approached by Mr Peter Huckel of Mount Burr's P.J. Huckel & Co logging company, for advice on how his business could introduce employee shareholding, adopt a superannuation scheme and ultimately transform itself into a worker co-operative. Subsequently, P.J. & P. Logging/Contractors Pty Ltd was established as an employee shareholding company with elected worker directors. All ten of the company's workers have bought the 200 Class "B" employee shares to which the new Articles and Memorandum entitle them, and a worker becomes eligible for election to the Board once he has served continuously with the company for at least two years. The Board has the same number of Directors elected by Class "B" employee shareholders as there are for those with Class "A" conventional shares, and Board meetings cannot be held unless at least one worker Director is present. Up until June 1982, productivity, profitability and the company's capacity to sub-contract

additional fellers all increased steeply, but currently progress is being blocked by a depressed demand for forest products which is Australia-wide. For 1981-82, worker shareholders will receive roughly \$300 in dividends on their \$200 investments, together with a productivity bonus of roughly \$500, but the company now finds itself faced with the choice of either cutting back to a four-day week or asking one of its shareholders to find work elsewhere until times improve. Even so, Mr Huckel remains confident that within three years the company will be free of debt. He plans that at that stage he and his wife will withdraw from the business, so that the final stage of its conversion to a worker co-operative can take place.

When Oliver Davey Ltd took over McIlwraith's Ltd in 1979, and set about winding up its Footscray stove, bath and sink manufacturing plant, some 350 plant employees acquired the business from its new owners and re-named it Modern Maid and Staff Ltd. The factory was bought by the State Insurance Office of Victoria and leased back to the new venture, while \$300,000 of share capital was raised within the workforce as a down payment on the \$1 million cost of plant and stock. Modern Maid shares can be owned only by current or former Modern Maid staff, and no shareholding can exceed a third of the shares on issue. Roughly two-thirds of the present 300-strong workforce have shares, and the Company hopes that ultimately all its workers will be shareholders. Decision-making is vested in a seven-member Board, which includes two employee representatives nominated from a nine-member Management

Council. The Council itself has four employee representatives, who chair sub-committees dealing respectively with Personnel, Safety, Productivity and Quality, and elections for these positions are contested vigorously. As at NVC and P.J. & P. Huckel Logging Contractors Pty. Ltd., productivity rose sharply in the aftermath of the change in ownership, and a productivity bonus was paid in each of the first two years of operation. In the current recession it has not been possible to maintain the bonus, and the 15% dividend paid to shareholders in the first two years has fallen to 10%, but no redundancies have taken place and the company expects to bounce back quickly as the building trades recover.

OPPORTUNITY

Unsurprisingly, neither government seeding of unemployment co-operatives nor job-saving conversion of conventional businesses into employee shareholding companies has so far given Australia much to match the ideal of a worker co-operative as the property of its workers who participate equally in the decisions, and also in the profit or loss. The employment co-operatives still rely mostly on outside shareholders or government for the resources and skills they have failed to generate internally. The companies fall short of work place democracy, because the workers have their rights determined by the number of shares they have been able to buy and not by their labour. The situation overall is a long way short of labour hiring capital instead of capital hiring labour, and Mondragon has not emerged overnight.

Even so, immense steps forward have been taken. Co-operation, worker ownership, workplace democracy, profit sharing and the capacity of ordinary men and women to shoulder responsibility and work constructively with one another for mutual help and benefit have been instated at the heart of the agenda for national debate as never before in our history. Governments have been broken in to accept active involvement with the worker co-operative idea, and the administrators of government programs have been able to think their way through to practical arrangements for enhancing the prospects of success.

Equally, the limits of what can be achieved through co-operatives within our current constraints have become clearer. The co-operatives are not simply an alternative sort of Community Youth Support Scheme, and to allow welfare considerations to predominate inevitably prejudices the survival and further growth which should be their over-riding objective. While the co-operatives and employee shareholding companies have created a number of new jobs internally, saved other jobs and helped a number of young people to find jobs through the external labour market, unemployment is not going to be overcome so long as Australia's current economic policies and social structures remain in place.

What we have instead is a mechanism for long-term social change which — given the sustained and whole-hearted support of the Labour Movement — can free Australia from its present confrontationist impasse, and bring about the society of equals which is our whole thrust and purpose as democratic

socialists. It remains for us to ask ourselves how the most can be made of our opportunity.

CAPITAL

For a start, worker co-operatives need capital. Getting a new co-operative off the ground has its costs. Machinery and an initial stock of raw materials may have to be bought, and wages, rent and other recurrent outlays may have to be met from carry-on finance while profitability is being achieved.

We have seen how in Spain the Mondragon co-operatives underwrite this process for themselves, through their *Caja Laboral Popular*, while in Britain Labor's advisory Co-operative Development Agency has received a further three-year lease of life from the Thatcher Government. In New South Wales, worker co-operatives until recently received government grants and loans which were made available to them through the Co-operative Federation's Common Ownership Finance Company Pty Ltd on the recommendation of the Minister's Submission Review Committee. The Submission Review Committee has now been abolished and ownership of all capital transferred from the Minister to the Federation, so that the Federation is able to decide for itself — within broad government guidelines — how grants and loans should be allocated from what has become effectively a permanent revolving fund for N.S.W. worker co-operative development. Victoria's Minister for Employment and Training currently has \$850,000 in 1982-83 Co-operative Development

Program funds to allocate on the recommendation of a Funding Committee made up of voting members from the Ministry itself, the Small Business Development Corporation, the Department of Labour and Industry, the Co-operative Federation of Victoria and the Registry of Co-operative Societies.

However, co-operatives everywhere are obliged to look beyond government and meet major capital requirements through such mechanisms as raising loans from banks and other traditional sources, accepting external shareholders, and making it a condition of membership that members should "buy-in" with an initial capital contribution, which may be payable over an extended period, but can range as high (as in the case of the British Sunderlandia co-operative) as half a year's earnings. In the process they must resolve large issues of principle.

Can holding of equity by external shareholders be reconciled with the idea of a worker co-operative, where labour hires capital rather than capital labour, or is it mandatory for external capital to be accepted only in the form of loans, at a fixed rate of interest? Is a compromise possible through the issue of non-voting preference shares, which guarantee the shareholder's right to participate in any distribution of assets in the event of the Co-operative being wound up, while having the added practical advantage over loans — from the point of view of the co-operative — that no payments are necessary unless a profit has been earned? Where a co-operative raises capital internally from its members, should there be an issue of shares, and, if

so, should shareholders be paid dividends over and above the salaries and bonuses they receive as members, or exercise special rights which are not available to those without shares? Are there differences in principle where all the members of a co-operative are required to own an equal number of shares, or the earnings on shares are held back until a member retires or resigns, and is the holding of a capital “stake” in one form or another essential in order for members to identify themselves adequately with the co-operative and commit themselves wholeheartedly to its success?

The answers to some of these questions will determine whether it is really a worker co-operative which emerges, or simply a company whose shareholders are also its employees. Irrespective of the outcome, conflict around the issue can be minimised where the availability of alternative sources of capital is enhanced. The use of scarce government funds for grants can be limited to items such as feasibility studies, where the cost is incurred before a new co-operative’s inception. In this way a larger share of the government dollar is retained for recycling in the form of loans from a revolving fund of the sort which we have seen established in New South Wales. Clearly, it would be of immense advantage if arrangements along the lines of the N.S.W. Common Ownership Finance Company Pty Ltd could now be introduced in Australia’s other States and Territories. In addition, the co-operative movement has large resources of its own, but lacks the financial institutions which would enable it to put them to the best possible use. This will be remedied if

plans for a Co-operative Bank, currently under study by the Co-operative Federation of New South Wales and the Co-operative Federation of Australia, are brought to fruition. A Co-operative Bank of Australia would be an important step towards worker co-operatives’ obtaining access to the backing of not only the affiliates of each State Federation, but the Credit Union and Building Society movements. In time, the new bank could be expected to equip itself with facilities specifically oriented to the needs of worker co-operatives, such as those of the “impresario” division of Mondragon’s *Caja Laboral Popular*. An incoming Labor Government should expedite the establishment of the Co-operative Bank of Australia in every way possible, and subsequently provide incentives for an evolution towards the principles and structure which have won the Mondragon bank its triumphant success.

LAWS

Secondly, our laws are in need of alteration. In Victoria, the registration of worker co-operatives is technically impossible, because Section 103(9) of the Co-operation Act 1981 imposes a limit of one on the number of workers in a worker co-operative who may become members of its Board of Directors. The Co-operative Federation of Victoria has suggested that Part II of the Act should be re-written to incorporate a new Division 6 (A) on “Worker based or Community based Industrial Societies”, with the requirement that “The Rules of an industrial society will provide that worker members are eligible for election

as directors of such societies". This would not only regularise the legal standing of worker co-operatives but also provide a definition on which to base concomitant affirmative action legislation.

Worker co-operatives have a claim to special recognition so long as their development has to be carried on in the face of incomprehension or outright hostility on the parts of banks and other traditional sources of capital, and the hegemony of economic and social values and assumptions which differ profoundly from their own. They should be given tax incentives which place them at a clear advantage over both conventional companies and those which implemented industrial democracy in less thorough going forms.

Italy's 5000 worker co-operatives have the benefit of being exempt from local taxes, while France's 900 co-operatives and their 35,000 worker members are excused from paying personal or corporation taxes for the part of their profit which gets allocated to an investment reserve or "worker participation fund". Similarly, French co-operatives are offered the opportunity of providing a quarter of the goods and services required by public sector agencies at average prices, and, where a worker co-operative and a conventional company submit equal tenders for a public sector contract, the worker co-operative gets the job. In Australia, private member's legislation aimed at encouraging industrial democracy has passed the Senate and been introduced into the House of Representatives. The Bill's provisions include an 8% tax break for companies which have

at least 8% of their issued share capital spread widely among employees who are not executives, implement acceptable profit-sharing arrangements, and have a consultative council where half the members are appointed by management and half elected by and from the other employees. Clearly these arrangements fall far short of the worker co-operative ideal, and in any case there is no hope of Australia's current conservative government allowing the legislation to complete its passage through Parliament. But expectations have been established on which a future Labor Government will be expected to build.

Further new legislation is required to codify the conversion of conventional companies to worker co-operatives. Workers should have a statutory right to initiate a conversion process in circumstances such as an employer closing down his business, production being transferred to another site, or assets being stripped in the aftermath of a takeover. Collective bargaining would then be used to arrive at terms for purchase of the former owner's capital assets, which might include offsetting the costs against any redundancy settlement for which the owner would otherwise be liable, agreement by the owner to accept payment from future profits, or immediate settlement from a loan guaranteed for the co-operative by the owner or the government. The N.S.W. Worker Co-operative Development Agency has done worker co-operatives throughout Australia a significant service by preparing a kit for incorporation as a common ownership company under the National Companies Code.

EDUCATION

Thirdly, if worker co-operatives are to make their maximum contribution to social change and the well-being of all Australians, the opportunities for co-operatives and their members to acquire new business skills and deepen their understanding of the principles and practice of co-operation will have to be improved. There will also have to be a great leap forward on the part of the community at large in understanding all that co-operation has to offer.

The key is a better set of arrangements for co-operative education. British worker co-operatives and their members can draw on extensive educational facilities which have been developed under the auspices of the co-operative movement's own Co-operative College, Beechwood College (which has recently become independent of the Industrial Common Ownership Movement), the Commonwork Trust, the London Council of Voluntary Service, and the National Council of Voluntary Organisations. Elsewhere, there are major co-operative training centres in most of the countries with which Australia compares itself, including France's *Ecole Technique Cooperative*, Italy's *Instituto Nazionale per l'Educazione Cooperativa*, Austria's Co-operative College of *Konsum Oesterreich* and Spain's *Centro Nacional de Educacion Cooperativa*.

Australia's would-be worker co-operatives are less lucky. Overwhelmingly, it has been necessary for them to rely instead on the limited education and training resources of the Victorian and New South Wales State Government Co-operative

Development Programs. In Victoria the government provides co-operatives with a Business Advisory Service through the Co-operative Federation of Victoria, and an Education and Training Service through the Vocational Orientation Centre of its Department of Employment and Training, while in New South Wales the education and training services formerly provided by the Worker Co-operative Advisory Unit of the Department of Youth and Community Services are now funded for the independent Worker Co-operative Development Agency. These rudiments of a proper education and training system have proved their worth, but they are grossly under-financed and over-extended, and the Development Agency in particular has major responsibilities for seeding and nursing new co-operatives over and above its education and training commitments.

While what exists should be strengthened and built upon, there is a need too for totally new arrangements. The Trade Union Training Authority should be encouraged to provide introductory units on worker co-operatives for all its students, and our national government should partner the Co-operative Federation of Australia and its State affiliates in the establishment of an Australian Co-operative College. A similar project is underway currently in Britain, where Mrs Thatcher's conservative government is contributing £100,000 towards a Development and Training Centre for worker co-operatives in Wales, on the recommendation of the Welsh Trades Union Congress.

Nor should Australia's schools be overlooked. The Labour Movement gives away far more than it can afford when

the community's children are left to learn individualism and a strong competitive spirit to the exclusion of co-operative values or recognition of the practicability of co-operation. It is high time our schools gave greater emphasis to games and other educational activities where everybody wins, rather than the other sort, where most of the children are taught to lose and regard themselves as failures. Ultimately, we could have schools which are themselves worker co-operatives, like those which have succeeded so brilliantly at Mondragon.

There is no bar to professions such as teaching organising themselves as worker co-operatives. In Italy, worker co-operatives provide a service which is mid-way between social work and home help. Bologna's *Cooperativa Assistena Domiciliare Infanzia Anziani Infermi* has sixty women and two men members, who contract with the City Council for care of elderly, infirm or otherwise disabled people. Members look after all the needs of the clients assigned to them, from getting them up and dressed each day to finding them better housing or winning them back pension payments where they have been missing out. The work they do is rewarding and important, and they highly value belonging to an organisation where decisions are made by all the members meeting together. In 1980 the co-operative generated a \$60,000 surplus, which was used, in part, to build a day center so that its members' clients could be brought out of the isolation of their homes and have access to a full range of educational, therapeutic and social resources.

The relevance of the Mondragon and Italian models is not restricted to education and welfare. It may well be that there are aspects of our arrangements for the delivery of health care, housing and public transport where the substitution of worker co-operatives for a conventional bureaucratic structure would lead to the same people enjoying added job satisfaction from the provision of a better service at a lower cost. A Labor Government could use the establishment of worker co-operatives as a key means of implementing worker control for significant sections of the public service. At the least, there should be channels through which worker co-operatives can submit delivery tenders wherever new public sector benefits are introduced.

UNIONS

Fourthly, worker co-operatives will do best where they have trade union support. Currently, Australia's unions seem to be well-disposed, and this disposition should be maintained by setting at rest the legitimate union worry that worker co-operatives could undermine hard-won wage levels and working conditions, threaten existing conventional companies and their employees, or make unionism itself redundant.

In fact, worker co-operative members are as interested as other unionists in the maintenance of standards of wages and working conditions, and case studies of seven worker co-operatives carried out for the Welsh Trades Union Congress indicate that, where longer hours and lower wages evolved in the struggle for survival, the risk of self-exploitation was

recognised and consciously kept under control. New co-operatives either save existing jobs by converting conventional companies which otherwise would go under, or create new jobs with start-ups where goods and services are produced locally for the first time. The union role is enlarged. All the traditional functions of unions, including protection of the interests of individual workers and negotiation of wages and conditions, remain relevant, while new opportunities, in areas such as resolving conflict within co-operatives and making sure their industrial democracy is effective, are opened up.

Supporting workers in the exercise of control over their workplace, and over the uses and rewards of their labour, is by far the most important and fulfilling thing that unions can do. The common aims of unions and worker co-operatives are given practical expression in a country such as Denmark, where union money provides capital for worker co-operatives through the Co-operative Finance Fund, and the union movement has representation on the Danish Federation of Workers' Co-operatives. In Britain, too, the giant Transport and General Workers Union has favourable reference to co-operatives written into its constitution, and involves itself actively in getting new co-operatives off the ground. When Courtauld's closed down its Luvisca Shirt Company factory in Taunton in 1981, the T.&G.W.U. was successful in obtaining six months' free use of the premises and machinery for a new Taunton Shirt Co-operative. Subsequently, the number of worker-members has risen from 31 to 50, while production has increased from

800 to 2000 shirts each week. In Wales, the union was instrumental in converting a failed blouse manufacturing firm into the Bargoed Blouse Co-operative. Orders have rocketed, additional accommodation, machinery and specialist staff have been acquired, and the 18-member co-operative is creating new jobs for trainees and part-time staff.

Equal and greater levels of union support for co-operatives can be achieved in Australia. On the co-operative side, it should be axiomatic that co-operative members are always members of their unions. This is already the attitude of the Co-operative Development Agency and the Industrial Common Ownership Movement in Britain, and it has been adopted by the Association of Worker Co-operatives in New South Wales. Again, the co-operatives should lift the level of their communication with the union movement at both the State and Federal levels, so that there is understanding and sympathy for their position within the Trades and Labour Councils and the Australian Council of Trades Unions. Union advocacy, union acumen, union educational facilities and — perhaps — union capital could become a powerful force for enabling the co-operative movement to achieve a far more rapid rate of growth than would otherwise be within its reach.

STATE SUPPORT STRUCTURE

Fifthly — and finally — a strong union connection may be what it takes to catalyse establishment of the broad worker co-operative support

structure which Australia at present so conspicuously lacks.

Individual co-operatives are unlikely to make the most of themselves where their self-image is one of embattled “islands of socialism in a hostile capitalist sea”; and the national and State Co-operative Federations and the government co-operative development programs have not yet reached the point of providing co-operatives with an organisational and promotional framework which allows opportunities to be grasped fully and set-backs averted. As we saw earlier, a similar absence of integrated support was instrumental in bringing about the downfall of most of Britain’s Wedgwood Benn job-saving co-operatives in the middle ‘seventies; but subsequently, with the establishment of the Co-operative Development Agency and the growth of the Industrial Common Ownership Movement, formation of new co-operatives has been able to go ahead with immeasurably enhanced prospects of success. In September 1982, 22 new co-operatives were registered with the Industrial Common Ownership Movement, while the Movement was able to report that eight of the ten co-operatives registered over the same month a year earlier were safely in business, one was still expected to start operating in 1983, and one had failed to progress beyond the registration Stage. The Wilshaw Rainwear co-operative had expanded its membership from 20 to 30, with the expectation of taking on a further ten workers in 1983, while its sales for 1982 were estimated at £150,000 and its export performance had placed it in line for a Queen’s Award. Futon Ltd had achieved

so marked a success in its manufacturing of Japanese mattresses that sales for the year were likely to hit £300,000. Membership had risen from seven to 15, and the co-operative was looking to adding a Fulham Branch to those already operating in the north and east of London. Similarly, in countries such as France and Italy, worker co-operatives have enjoyed adequate organisational and promotional frameworks for years, through the agency of powerful and highly developed national bodies, and, in Spain, Paragraph 44 of the Mondragon Association Agreement requires that:

“In order to ensure the strongest possible support for all institutions and to optimise the business efficiency of the group as a whole, the Associated Co-operative will respect the principle of inter-group loyalty and mutual assistance when formulating future plans concerning production, selection of personnel, the establishment of business links between the co-operatives, where to place orders, and other facets of their business by which other co-operatives associated with the *Caja Laboral* could be made to benefit, without affecting the interests or autonomy of the co-operative itself.”

Immediate consideration should be given to the functions and structure of Worker co-operative support organisations at State level throughout Australia. They can be assembled gradually over a period of years, probably around the nuclei of the existing Co-operative Federations and a possible Future Co-operative Bank. In principle, the new support organisations

should be second degree co-operatives, along the lines of Mondragon's *Cola Laboral Popular*, welfare, housing and research ventures. Eventually the services required of them will encompass mobilisation of finance for individual co-operatives; provision of book-keeping, personnel, accounting, clerical support, marketing, market research and general management, where co-operatives choose to hire skills in preference to developing them internally; education and training; and researching and facilitating the inauguration of new co-operatives. Their affiliates will include not only the co-operatives themselves, but their own workforces and groups representing the community at large. Ultimately, it may be seen as inappropriate for any worker co-operative or worker co-operative support organisation not to include spokespeople for the broader community interest on its governing body, to ensure that social responsibilities such as the well-being of residents of the area where business is being transacted and the protection of the natural environment are addressed.

LOCAL CO-OPERATIVE DEVELOPMENT AGENCIES

Clearly, local communities have much to gain and much to give in developing worker co-operatives. Profits of worker co-operatives are not transferred elsewhere, but retained locally for distribution among members who shop locally, for re-investment involving local purchases and contracts, and for direct giving for

community facilities and services. Job discrimination is tackled where worker co-operatives take affirmative action on behalf of groups such as women, ethnic minorities, the disabled and older people, whose interests are likely to be hardest hit under conditions of high unemployment. The experience of work-place democracy fosters more active participation in community affairs and greater acceptance of personal responsibility for community well-being. The stability of the local economy is enhanced, because the co-operatives are not subject to takeover by remote corporations and other outside groups.

In Britain, recognition of the potential local contribution of worker co-operatives has led to the establishment of Local Co-operative Development Agencies in forty or more municipalities, including, for example, London, Northampton, York, Cardiff, Glasgow, Manchester, Bristol, Coventry, Birmingham, and Newcastle-upon-Tyne. Sheffield has allocated £2 million for worker co-operative development, and Fife has a detailed worker co-operative development blueprint, incorporating a support organisation with eight full-time staff; a revolving loan fund comprised, in part, of contributions of 20% of the trading surplus of each participating co-operative; and a two-month initial training period for each prospective co-operative member, covering both training for the job and socialisation for a full and fulfilling involvement in the co-operative's affairs. In Brent, the Management of the Local Co-operative Development Agency includes members of the Trades Union Congress, the

municipal Council, and the Brent Law Centre; and David Whitchurch, who formerly worked for the Agency in Britain and now chairs the Board of Warrnambool's Loch Ard Co-operative, has attributed its success to the fact that "...four staff with a broad range of experience with co-operatives were employed, and that next door was the Brent Law Centre where there were eight lawyers employed. In addition, the Agency had sufficient funding to set up a very well equipped office which included printing machine, photocopier and a vast library. Most importantly, there was a strong community involvement which ensured our 'tentacles' covered a wide area. . .".

Britain's Local Co-operative Development Agencies can be operated directly by municipal councils, which may have the resources to provide loan capital as well as employing development workers; as community groups with financial backing from Local Government, which may enable paid staff to be employed; or on a purely voluntary and self-supporting basis. Co-operatives may find it easier to meet their capital requirements from banks and other traditional lenders where it is known that they have the support and guidance of a recognised Local Co-operative Development Agency. Grants for feasibility studies, registration costs, market research and product development can be made available, together with assistance in kind such as start-up accommodation in municipal buildings which are temporarily or permanently disused. Professional services, for which fledgling

co-operatives otherwise would have to pay fees, can be provided free of charge by municipal engineers, architects, solicitors and accountants. Co-operatives can be assigned a specific share of council purchasing requirements, or simply added to the list of firms from which goods are ordered or tenders sought.

In New South Wales, advice on promoting and facilitating the development of local worker co-operatives has already been sought from the Worker Co-operative Development Agency by several metropolitan and country councils. Three councils are currently considering the establishment of Local Co-operative Development Agencies, and Broken Hill a "Worker Co-operative Development Committee" has been set up with council funding and support. The New South Wales lead should now be publicised and promoted throughout Australia. Where necessary, State local government legislation should be amended to remove impediments to Councils involving themselves actively in the fostering of co-operatives. The possibilities for Commonwealth-State-Local Government partnership in responding to the needs of worker co-operatives and worker co-operative support organisations should be vigorously explored.

CONCLUSION

Democratic socialists everywhere have a solemn obligation and immensely welcome opportunity to get behind the worker co-operative movement and ensure its success. As Bob Connell has pointed out, socialism is not a Utopian

state of affairs which will arrive in a given year, or whose blueprints can be drawn in advance, but rather “something we are both working towards and trying to practise along the way”. Those of us who are serious about our commitment to this operational philosophy will embrace the worker co-operative movement as a key means of giving it effect.

Quite simply, the worker co-operatives are Tawney’s “society of equals” in embryo. It is vital that we who share their values should also share their struggle, while they evolve and grow to the point of maturity where our common goals are achieved. Nor is this in any sense a one-sided transaction. As the co-operatives thrive and flourish, the Labour Movement will be able to demonstrate for all Australians what we have always been committed to, by pointing out concrete and practical examples of a sort never previously available to us.

Australia has always had its share of advocates of the “big bang” school of socialist theorists, who believe with the British miners’ leader, Arthur Scargill, that “workers’ control, as an ideology, is the apologist’s alternative to socialism, the academic’s dream of Utopia”; but the reality of our situation is otherwise. Similarly, those of us who subscribed to the late Anthony Crosland’s vision of economic growth and the mixed economy overcoming inequality and ushering in the just society, now have to admit that we too have been wrong. Grasping control of our working lives and making decisions for ourselves in the full knowledge of the consequences for the community and the economy are keys

to extricating Australia from its present predicament and carrying forward the process of social reform. Worker co-operatives are the way these things can happen. The future is here among us already, waiting on our recognition and support.

APPENDIX I

CO-OP PRINCIPLES

The 1966 Congress of the International Cooperative Alliance has approved these wordings of six Cooperative Principles:

1. Membership of a cooperative society should be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.

2. Cooperative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.

3. Share capital should only receive a strictly limited rate of interest.

4. The economic results arising out of the operations of a society belong to the members of that society and should be distributed in such a manner as would avoid one member gaining at the expense of others. This may be done by decision of the members as follows: (a) by provision for development of the business of the cooperative; (b) by provision of common services; or, (c) by distribution among the members in proportion to their transactions with the society,

5. All cooperative societies should make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of cooperation, both economic and democratic.

6. All cooperative organisations, in order to best serve the interest of their members and their communities should actively cooperate in every practical way with other cooperatives at local, national, and international levels.

International Cooperative Alliance, 11 Upper Grosvenor Street, London, England W1X 9WA

APPENDIX II

GUIDELINES – THE WORKER CO-OPERATIVE PROGRAMME NOVEMBER, 1982

(I) INTRODUCTION

A Co-operative is a business enterprise organised by a group of people on a self-help and user owned basis.

The N.S.W. Worker Co-operative Programme has been established to assist groups wanting to organise co-operatives which have as their prime aim the provision of employment for their worker members.

The Programme is designed to ensure that assistance is available to those Worker Co-operatives which can become self-sustaining and financially viable within a planned and specified period.

The Programme recognises that a great deal of work is involved and will make every effort to provide a high level of assistance to groups, both from Programme resources and elsewhere, to enable them to achieve their objectives.

(2) PROGRAMME GOAL:

The principal aim of the Programme is: “to assist groups of people to establish independent viable businesses in which ownership and control is vested in those who are actually working in the businesses, and is exercised in a democratic manner”.

Objectives

1. to promote viable, independent Worker Co-operatives, particularly in areas of high unemployment;
2. to promote employment generation through Worker Co-operatives;
3. to promote the potential of work structures based on co-operative principles;

The attaining of these objectives will mean that associated benefits such as the following may also be derived:

1. jobs for young people will be created;

2. young co-operative members will be encouraged to acquire work and social skills;
3. the application of co-operative skills and techniques to extend the range of social and economic benefits available to members of co-operative group's e.g. group action to reduce living costs such as food or housing collectives;
4. the involvement of the community in constructive and enterprising action in the face of increasing unemployment.

Co-operatives seeking technical and financial assistance will need to be planning for the following individual objectives.

1. to establish viable businesses;
2. to become registered as a co-operative society to be incorporated in a form approved by the Worker Co-operative Development Committee;
3. to ensure real ownership and control by workers;
4. to develop effective organisation structures;
5. to give preference in employment to unemployed people;
6. to increase community and political awareness of Worker Co-operatives;
7. to ensure the continuation of the assistance Programme and the further development of Worker Co-operatives.

Further information is available in the following documents:

1. "An Introduction to Worker Co-operatives"
2. "The Worker Co-operative Development Agency"
3. "Guidelines for the Provision of Financial Assistance to Worker Cooperatives (Common Ownership Finance Pty. Ltd.)"

(3) TECHNICAL ASSISTANCE AND SUPPORT SERVICES

Management support, business advice and organising, training and education services are available from

The Worker Co-operative Development Agency

Suite 1, 265 Castlereagh Street.

Sydney, N.S.W.

(P.O. Box A496, Sydney South, NSW 2000)

Phone: 267 8948 or 267 9406

These services are available to any group of people seeking information or direction while in the process of forming a Worker Co-operative, whether or not they will be seeking or have already received

financial assistance through the Programme. Assistance will be provided for:

- (1) the creation of new Worker Co-operative businesses;
- (2) the expansion of existing Worker Co-operative business;
- (3) the conversion of existing businesses into Worker Co-operatives.

The Agency is the only organisation publicly funded to carry out these services. The Agency is funded according to a comprehensive plan and programme covering all fields of promotion, technical services and training.

It is essential that the Agency's services are utilised in the process of forming a Worker Co-operative. The provision of organisational, business and training plans, as well as the undertaking of an education programme are important aspects to receiving financial assistance from Common Ownership Finance Pty. Ltd.

Where feasible, the advice and support of other Agencies and organisations should also be sought. The Policy of the Agency includes:

1. Employment Priority

Priority will be given to groups/businesses which show a potential to grow and provide more employment. This is unlikely in propositions which will not be able to support at least five people somewhere during their early life. The Agency should not involve itself with groups/businesses which do not show this potential.

2. Preconditions for Assistance

The Agency, after an initial period of consultation and education will not commit any further resources unless the following necessary pre-conditions are met:

- the clear existence of a market;
- the availability of competent leadership/management;
- energy and cohesion within the group to sustain it through the difficult phases of its early life;
- an honest commitment to a co-operative and Democratic form of enterprise.

3. Long Term Assistance

It is acknowledged that most groups will require technical assistance and finance over a three year period to achieve viability. Finances and advice will be geared to that period.

4. Workers Equity Commitment

Groups must be prepared to financially contribute to the co-op by upfront money, or contributions from earnings.

(4) FINANCIAL ASSISTANCE

Financial assistance is available from:
Common Ownership Finance Pty. Ltd.,
8th Floor, 44 Young Street,
Sydney, NSW,
(GPO Box 1758, Sydney NSW, 2001)
Phone: 231 5014

This Company is owned by the Co-operative Federation of New South Wales. All decisions on direct or indirect financial assistance in grant or loan form to any Worker Co-operative are made exclusively by Common Ownership Finance Pty. Ltd. in accordance to the approved “Guidelines for the Provision of Financial Assistance to Worker Co-operatives”.

Applications must be received at the offices of Common Ownership Finance (COF) by the last day of each month in order to be considered at the following months meeting. The services of a Loans Officer are available for considering each case put up for financial assistance.

The main sources of funds within Common Ownership Finance are:

1. **The Loans Fund:** From which Formal interest bearing loans will be made.

2. **The Self Help Development Fund (SHDF):** From which grants for specific projects will be made, Financial assistance will be provided EITHER as “direct Financial assistance where funds are transferred from Common Ownership Finance directly into the hands of a Worker Co-operative; OR as “indirect’ financial assistance where funds supplied by COF are applied on behalf of a worker co-operative, but paid to a third party to carry out specific work to benefit that co-operative.

The Loans Fund will be used to provide financial assistance for the following purposes:

- The purchase of capital equipment and assets
- Working Capital requirements

All assistance made available from the Loans Fund will be in the form of repayable, interest bearing loans.

The SHDF will be used to provide financial assistance for the following purposes:

- Feasibility Studies
- Research and Development of new products,

processes or markets

- Specialist Consultancy
- Training and Skills Development of worker co-operative personnel
- Specific costs associated with the establishment of a legal structure and record keeping system Required for the operation of a business.

All assistance made available from the SHDF will be in the form of grants. Such grants may be made available directly to worker co-operatives (if suitably incorporated) or applied on their behalf.

Unincorporated groups may receive SHDF grants by way of indirect assistance only.

Grants will not be made available for purposes other than those listed above.

Where appropriate, COF may use its available resources to assist worker co-operatives to obtain finance from other sources. Such assistance could be in the form of loan guarantees, credit or lease guarantees, or leveraging on the basis of a COF loan.

(5) ELIGIBILITY FOR ASSISTANCE— ORGANISATIONAL CRITERIA

The minimum organisational requirements of the Programme are set out below.

These requirements apply to the formal legal structure of an incorporated body as evidenced by its Memorandum and Articles (if registered as a company) or its Rules (if registered as a co-operative). The word “co-operative” includes both organisations registered as companies and as co-operative societies.

The minimum requirements are:

1. the co-operative’s objects must include as a principle object the provision of employment to its members.
2. Membership of the co-operative must be available to all permanent workers after a suitable qualifying period,
3. If membership of the co-operative is open to non-workers, the conditions under which such “outsiders” can be members must be clearly spelt out, and arrangements established that will prevent effective ownership and control being exercised by these “outsiders” to the exclusion of worker members.
4. The capital contribution required of worker members must be spelt out in a clear and unambiguous manner.
5. There must be restrictions on the right to transfer

shares in the co-operative (i.e. the right to transfer shares must remain in the control of the Board).

6. There must be a limit on profit distribution by way of dividend on share capital.

7. There must be an arrangement to ensure that the benefits of the co-operative are made available to worker members in their capacity as workers (i.e., not in their capacity as shareholders).

8. Effective control of the co-operative must be in the hands of worker members (i.e. most if not all directors must be workers and the election of directors should effectively be in the control of worker members).

9. Control must be exercised on the one person one vote principle.

10. The co-operative must clearly demonstrate that in the event of winding up any surplus resulting from such a winding up, will be made available to another worker co-operative or an organisation supporting or promoting worker co-operatives, provided that similar restrictions on the distribution of surplus resulting from a winding up also apply to the recipient organisation.

In some cases, an applicant organisation may experience problems in demonstrating that its formal "constitution" (Memorandum and Articles or Rules) meets all these requirements. If so, advice should be sought from the Worker Co-operative Development Agency.

(6) ELIGIBILITY FOR ASSISTANCE — BUSINESS AND COMMERCIAL CRITERIA

Specific proposals will be judged on a case-by-case basis. A proposal should contain the information requested on the application form available from Common Ownership Finance Pty. Ltd. and other information relevant to an assessment of the commercial and business aspects of the proposal.

The attached:

(i) Checklist for starting a co-operative and
(ii) The Business Plan will assist any group in its preliminary work towards developing a case for technical or financial assistance.

(7) CHECKLIST FOR STARTING A CO-OPERATIVE

1. People — Who is going to work in your co-op? Do they have all the necessary skills or will you have to look for others?

2. Aims — Why are you starting a co-op? You

may all be involved for different reasons. Will this make a difference to how the business develops, or how it is run?

3. The Business — what business are you in? What product or service will you make and/or sell? How will you sell it? Who will you sell it to? What are the Factors for success in your type of business? Where is it easiest to fall down?

4. Business Planning — Where do you hope to be in six months, 1 year/2 years' time? Will you be making the same product?

5. Finances — How much money do you need to start up—for machinery, stocks, equipment (starting capital)? To tide you over until money from sales comes in (working capital)? Where are you going to get the finance from? Have you drawn up a budget? What amounts will you have to pay out regularly (fixed costs)? What amounts vary according to how much you make (variable costs)? Have you drawn up a cash flow forecast?

6. Financial Planning — How will the financial needs of your business change over time? With expansion? New products?

7. Feasibility Study — If you are not sure about items 3-6, the Worker Co-operative Development Agency may be able to help you.

8. Incorporation — Have you incorporated as a co-operative or common ownership company? Does it have a name? Business address? Bank account?

9. Premises — where are you going to work from? Are there any special requirements? If you have premises in mind, do you need planning permission to carry out your particular business? Are there any other restrictions?

10. Insurance — what insurances will be appropriate for your operations? Equipment? Employees? Theft? Fire? Etc.

11. Tax — if you are going to pay wages, your employees will have to pay tax. As an employer you may also have to pay payroll taxes Sales taxes may also be applicable to your products.

12. Trade Union — Do you wish to join a trade union? Which is the most appropriate?

13. Audit — each year your books will need to be audited. You may also wish to take the advice of an accountant throughout the Financial year.

For all of the above:

The Worker Co-operative Development Agency,
P.O. Box A496,

Sydney South, 2000.

Tel: (02) 267 9406 will be able to help you.

(8) THE BUSINESS PLAN

If you have got an idea for a co-operative business, how easy is to set one up? What sort of difficulties can you expect and in what areas?

The first thing to say is you don't have to be a business whizz kid to start a co-op. However, if you are trying to get finance or support from any financial institution, there are some important things to get down on paper to prove that you have done your homework. It doesn't have to be more than a few pages unless it's a particularly large scheme. This "business plan" should include:

The product or service — What are you going to do or make?

The people — Who are you going to work with? What skills and experience do they have?

The organisation — What Rules or Articles are you going to incorporate with and what sort of internal structure do you plan?

The market — Who are you going to sell your product to? Why do you think they will buy it?

The premises — what sort of building will you need? Is the site and area crucial?

The money — How much money will you need and what do you want it for?

The budget and cash flow — How much do you expect to make in the first year? Will there be times when you are short of money? You need to work out a budget and cash flow.

The support services — What sort of advice do you need to get?

Consider these areas thoroughly in particular the "money" and "budget" sections and document your plans. If you want to be more persuasive, put a cover round it and bind it in some way. Presentation helps!

Further Reading

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Work Link Co-operative Development Agency (N.S.W.).

ABOUT THE FABIAN SOCIETY

The Fabian tradition is one of achieving progress through research and education. Bernard Shaw and the Webbs began it, and generations of Fabians have placed its stamp on every facet of British society. In 1947, Australian Fabians formed the Victorian Fabian Society, which has grown rapidly, and now includes among its members political, professional, trade union and academic figures. The aim of the Society is to create informed, articulate public opinion. In furthering this aim, it both carries out and commissions research, publishes books, pamphlets and periodicals, and conducts forums, seminars, symposia and conferences.

The Society has no policy beyond that implied in a general commitment to democratic socialism. Makes no political statement and issues its publications as the opinions of their authors and not of the organisation. As a democratic socialist body, it maintains an informal relationship with Australia's democratic socialist party, the A.L.P., and does not admit members of parties other than the A.L.P.

If you believe that reason, education and ideas should play a large part in Australian politics, if you care about the quality of the society we live in and the direction it is taking, and if you share the ethic of democratic socialism, the Victorian Fabian Society would like to number you among its members.

Membership of The Victorian Fabian Society is open to all Democratic Socialists.

Write for particulars to:

The Secretary,

Victorian Fabian Society.

Box 2707X. G.P.O..

Melbourne, 3001.



RACE MATHEWS is Minister for the Arts and Minister for Police and Emergency Services in Victoria's Labor Government. He has represented Oakleigh in the Victorian Legislative Assembly since 1979, and is secretary of the Victorian Fabian Society. He was Principal Private Secretary to Gough Whitlam as Leader of the Opposition in the Australian Parliament 1967-72, Member of the House of Representatives for Casey 1972-75, and Principal Secretary to Clyde Holding and Frank Wilkes as Leaders of the Opposition in the Victorian Parliament 1976-79.

Australian Fabians Pamphlets

New South Wales Fabian Society pamphlets

- 1 **The case for bank nationalisation** Clarrie Martin (ed) (1947)
- 2 **Towards a socialist Australia** Clarrie Martin (ed) (1949)
- 3 **Towards a free press** Clarrie Martin (ed) (1949)
- 4 **Secret ballots in trade unions** Clarrie Martin (ed) (1949)
- 5 **Fighting inflation 1945-1949** Clarrie Martin (ed) (1949)
- 6 **Workers' control** Clarrie Martin (ed) (1950)
- 7 **Labour and the Constitution** Clarrie Martin (ed) (1950)
- 8 **Fighting Communism: The democratic way** Clarrie Martin (ed) (1951)
- 9 **What do you know about Democratic Socialism?** Clarrie Martin (ed) (1953)

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- 2 **Socialist economic policy** John Reeves (1957)
- 3 **Commonwealth industrial regulation in Australia** Harold Souter (1957)
- 4 **The housing crisis in Australia** Ray Burkitt (1958)
- 5 **Reform in medicine** Moss Cass (1961)
- 6 **The impact of automation** Ted Jackson & Charles Healy (1962)
- 7 **Australian wives today** Jean Blackburn & Ted Jackson (1962)
- 8 **Socialism and the ALP** Jim Cairns (1963)
- 9 **A national health scheme for Labor** Moss Cass (1964)
- 10 **Have Australia's unions a future?** Jack Grey (1964)
- 11 **Labor and the Constitution** Gough Whitlam (1965)
- 12 **Economics and foreign policy** Jim Cairns (1966)
- 13 **Australia: Armed and neutral** Max Teichmann (1966)
- 14 **A future or no future: Foreign policy and the ALP** Brian Fitzpatrick (1966)
- 15 **Meeting the crisis: Federal aid for education** Race Mathews (1967)
- 16 **The implications of Democratic Socialism** Bill Hayden (1968)
- 17 **Beyond Vietnam: Australia's regional responsibility** Gough Whitlam (1968)
- 18 **Australian defence: Policy and programmes** Lance Barnard (1969)
- 19 **Whitlam on urban growth** (also titled 'An urban nation') Gough Whitlam (1969)
- 20 **Why protect customers** David Bottomley (1970)
- 21 **Dental services for Australians** James (Jim) Lane (1970)
- 22 **Labor in power** Gough Whitlam & Bruce Grant (1973)
- 23 **National health: The ALP programme** Bill Hayden (1973)
- 24 **Open government: To what degree?** Clyde Cameron & David Butler (1973)
- 25 **The tragedy of power: The ALP in office** David Butler & Sol Encl (1973)
- 26 **Legal aid: A proposed plan** James Kennan with Geoffrey Eames, Bruce Oakman, Eilish Cooke, Brian Bourke, John Cain, David Jones & Michael Head (1973)
- 27 **Social welfare and economic policy** Bill Hayden (1974)
- 28 **Equality: The new issues** Elizabeth Reid & Dennis Altman (1975)
- 29 **Worker participation: The prospects for Australia** Gordon William (Bill) Ford, Robert Jolly & Dianne Yerbury (1974)

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- 30 **Land rights or a sell out? An analysis of the Aboriginal Land Rights (Northern Territory) Bill 1976** Geoff Eames with foreword by Wenten Rubuntja (1976)
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- 31 **Social policy: The new frontiers** Russell Lansbury, Lois Bryson & Concetta Benn (1976)
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- 32 **Power from the people: A new Australian Constitution?** Donald Horne (1977)
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- 33 **The politics of justice: An agenda for reform** Gareth Evans (1981)
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- 34 **Labor's socialist objective: Three perspectives**
Race Mathews, Gareth Evans & Peter Wilenski (1981)
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- 35 **Australia alone: A case against alignment** Max Teichmann (1981)
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- 36 **An occupational health and safety policy for Labor** (also titled 'A Health and Safety Policy for Labor') John Mathews (1982)
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- 37 **Reshaping Australian industry: Tariffs and socialists** Gough Whitlam & Ralph Willis (1982)
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- 39 **Building the society of equals: Worker co-operatives and the ALP** Race Mathews (1983)
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- 41 **Education, where from, where to?** (Fabian Conference Proceedings 1983)
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- 42 **1984 Orwell Lectures** Barry Jones, Brian Mathews & Max Teichmann (1984)
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- 43 **Principles in practice: The first two years** Bob Hawke (1984)
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- 44 **David Bennett: A memoir** Race Mathews (1985)
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- 46 **How Labor governs in Victoria** Jenny Acton, Lyle Allen, John Cain, Val Callister, Ken Coghill, Chris Gallagher, Bruce Hartnett, Michael Henry, Alan Oxley & Mike Richards (1986)
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- 47 **Employee ownership: Mondragon's lessons for Australia** Race Mathews (1987)
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- 48 **Health wars** Race Mathews (1989)
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- 49 **Matters of principle: The Labor revival in NSW** Bob Carr (1989)
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- 50 **Making Australian foreign policy** Gareth Evans (1989)
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- 51 **Reviving Labor's agenda: A program for local reform** Mark Latham (1990)
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- 52 **John Hancock and the rise of Victorian Labor** Jim Claven (1991)
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- 53 **From the free market to the social market: A new agenda for the ALP** Hugh Emy (1993)
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- 54 **Victoria's economy and employment in the 21st century / Taskforce 2000**
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- 1/56 **Turning the tide: Towards a mutualist philosophy and politics for Labor and the left**
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- 2/57 **Taking Medicare forward** Stephen Duckett (2001)
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- 3/58 (a) **White lines, white lies: Rethinking drug and alcohol policy in the contemporary era**
Grazyna Zajdow, Philip Mendes & Guy Rundle (2002)
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- 4/59 **What's wrong with the universities?** Simon Marginson (2002)
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- 5/60 **There has to be a better way: A long-term refugee strategy** James Jupp (2003)
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- 6/61 **Responding to the challenge of globalisation: The democratic imperative**
Joseph A Camilleri (2003)
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- 7/62 **Thinking about privatisation: Evaluating the privatised state to inform our future**
Graeme A Hodge (2003)
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- 8/63 **What's wrong with social capital?** Christopher Scanlon (2004)
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- 9/64 **After the deluge?: Rebuilding Labor and a progressive movement** John Button (2004)
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- 66 **Housing affordability in crisis**
Liam Hogan, Dr Ben Spies-Butcher, Dr Cathy Sherry & Mark Bonanno (2015)
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- 67 **Reforming the public sector for a more equal society**
Jenny McAllister, Sam Hurley & Melissa Donnelly (2016)
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- 68 **A new vision for NSW: Ideas for the next NSW Labor Government**
John Graham, Ryan Park, Tim Ayres, Sarah Kaine and Jim Stanford, Daniel Mookhey, Elly Howse, Mark Bonanno, Liam Hogan, Penny Sharpe, Charishma Kaliyanda & Jodi McKay (2017)
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Tim Lyons, Michael Daley, Linda Scott, John Graham, Emma Dawson, Eva Cox, Adam Searle, Tilly South, Prue Car, Felicity Wade & Labor for the Arts (2018)
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- 70 **Queensland leads from the front on the big issues** Eva Cox, Claire Moore, Shannon Fentiman, Brendan Crotty, Wayne Swan, Chris Ketter & Shane Bevis (2018)
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- 71 **After neoliberalism: Can social democracy be saved?**
Anna Yeatman, Tim Lyons & John Quiggin (2018)
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- 73 **A crisis in democracy** Geoff Gallop (2020)
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