

• THE NEW WORKERS' CO-OPERATIVES

Workers' co-operatives in Britain are again flourishing and attracting wide political support. Early in 1985 there were some 750 of these businesses owned and controlled by the workers in them. They employed around 6,500 people and created a turnover of more than £200 million.

Their image is of workshops where small groups of middle-class men and women struggle to overcome the degradation of unemployment by being their own bosses. This impression was near to reality in the 70s, but it is now outdated.

The first wave of new co-operatives forming in the late 70s was dominated by young, university educated men and women disillusioned by party politics, and associating with the 'alternative' movement. Their concerns were with winning peace, women's liberation, ecological issues, healthy food and collective living. Despite some joking about 'sandals and candles' people, politicians in central and local government considered them a sensible development deserving public support. For some they were an answer to industrial relations troubles; for others they offered a glimpse at the practical reality of workers' control; for everyone they were creating lasting jobs at a time of steeply rising unemployment.

Objections were raised by trade unions complaining of sweated labour and the threat to unionised workers posed by price cutting. But those were infrequent since most co-ops offered specialised services to like-minded customers; few were in mainline industries. People came to regard co-operatives with benign interest.

Among many supporters of co-ops inside the Labour Party, this image had superseded the picture of democratic idealism surrounding the 'Benn' experiments of the mid-70s at Meriden, Kirkby Manufacturing and Engineering and the Scottish Daily News. Tony Benn, as Labour's Secretary of State for Industry from 1974-75, provided government start-up finance for three co-operatives, together employing over 1500

workers. This initiative came after a period of sit-ins and work-ins beginning with the occupation of Upper Clyde Shipbuilders in 1971. It was a response to growing unemployment, and based on a belief in workers control across Britain's main industries. The three co-operatives assisted by Benn were formed from failed capitalist businesses after workers' occupations.

At the same time, in 1971, an organisation outside the formal political arena was set up, the Industrial Common Ownership Movement (ICOM). ICOM published a set of model rules, based on a highly decentralised and collectivist concept of democracy, which were immediately attractive to the 'alternative' movement. The number of co-operatives, or 'common ownerships', grew rapidly and gained respect for their tenacity.

State support for the new co-operatives has been crucial to their development as a movement. Considering how rich the political harvest from them has been, the money invested in them has been small compared to funds disbursed to large companies or to the job creation programmes. For a sum of £100,000 a local council could list a shopping basket of gains made by promoting a handful of tiny co-operatives - jobs for local people, permanent jobs, jobs for the underprivileged groups, businesses producing socially worthwhile goods, profits ploughed back into the community, democratic work styles, and so on.

In 1976 the Industrial Common Ownership Act was passed providing £ 100,000 to ICOM, and £250,000 to its financial arm, Industrial Common Ownership Finance, for lending over a five-year period. Then in 1978,

Labour set up the national Co-operative Development Agency. In the same year the Inner Urban Areas Act was passed providing finance for the administrative costs of starting co-operatives in specified areas. Funds were also allocated to co-ops under the Manpower Services Commission's job creation schemes from 1976.

The record of local councils has been more impressive. Labour-controlled councils have led the way in funding some 50 local Co-operative Development Agencies set up to exist new co-ops. Many have also offered grants and loans. In the case of the West Midlands Metropolitan County Council and the Greater London Council investments have been made in a more commercial atmosphere via enterprise boards.

The impact of this state funding has been dramatic. An impressive infrastructure now exists to support not only the small new starts but also a wave of new rescue or 'phoenix' co-ops which, with proper guidance and modest ambition, have not repeated the early mistakes of the 'Benn' ventures. Also, it has changed the character of the movement. Concern by local councils has contributed to a rise in the number of co-ops formed by women, Afro-Caribbean, Asian and other groups disadvantaged in the labour market. Co-operatives in office cleaning, secretarial services, childcare, feminist book publishing, ethnic restaurants and a variety of services in the music industry have been added to an already wide span of activities. These include specialised products and services filling gaps in the market, ranging from bicycle repair and wholefood retailing to architecture, computer software and scientific instrument

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making. The small group of phoenix co-ops rising from shattered capitalist firms are in areas like engineering and clothing manufacture.

But the state's emphasis on job creation above all else has left a void which ICOM has struggled to fill with the equally important concern for co-operative ideology and direction. ICOM, the new propagator and guardian of workers' co-operative principles, has few resources and little bargaining power. Its recent overtures to the Labour Party and trade unions, such as in helping to draw up a Co-ops Charter, are vitally important in the

drive to reach out for more support. But it has made little headway in convincing those allocating funds at the local level that success in the market cannot be traded for the abandonment of democratic principles.


The broadened base of the movement and the shift away from a concern for democracy may have serious consequences. Many of the nineteenth-century co-ops and the 'alternative' style ventures of the 70s succeeded on their own because their workers had skills and education. State money is now offering many more people the chance to start a co-operative, and middle class enthusiasts no

longer dominate the movement.

There is a pressing need for training among this latest wave of co-operatives. It ranges from business and production skills to basic literacy and numeracy. On top of that, there is the need to learn how to operate within democratic co-operative principles.

The impending cuts in local authority spending could severely test the ability of the new workers' co-operative movement to find the level of support needed for a sector that is such a large extent shaped by the state.

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