

The Society for Co-operative Studies in Ireland in conjunction with SIPTU presents

# **Economic democracy and worker co-operatives: *the case for Ireland***

Liberty Hall Theatre, Eden Quay, Dublin 1 | 9 April 2019

## **SEMINAR PROCEEDINGS**

Edited by Bridget Carroll and Fiona Dunkin



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## Introduction

This report outlines the proceedings of the 'Economic democracy and worker co-operatives: the case for Ireland' seminar which was held on Tuesday, 9 April 2019 in Liberty Hall, Eden Quay, Dublin 1. The seminar was organised by the Society for Co-operative Studies in Ireland (SCSI), a voluntary, member-based organisation which aims to co-ordinate and promote the development of co-operative research and education in Ireland. The organisation of the seminar was supported by the following organisations:

- Services, Industrial, Technical and Professional Union (SIPTU);
- Irish League of Credit Unions (ILCU);
- Irish Co-operative Organisation Society (ICOS);
- Centre for Co-operative Studies, University College Cork;
- Co-operative Housing Ireland (CHI) and
- Unite trade union.

The purpose of the seminar was to provide a forum for discussion on economic democracy with a specific focus on the opportunities and challenges of worker co-operatives in Ireland. In the context of the 'future of work' debate, the event served to highlight and debate the role that worker co-operatives can play in addressing shared needs across a range of contexts such as youth employment, business succession and as a response to the gig-economy. It also focused on how worker co-operatives can be promoted and supported, including the role trade unions could perform.

This report outlines the proceedings of the seminar as well as the key points arising in the questions and break-out discussions.

# Schedule

## Seminar schedule

|         |  |
|---------|--|
| 10.00am | <b>Registration</b> and tea/coffee   |
| 10.30am | <b>Welcome address:</b> Bridget Carroll, Society for Co-operative Studies in Ireland (SCSI)  |
| 10.40am | <b>Economic democracy, the future of work and worker co-operatives</b><br><br>Chair: Tiziana O'Hara, SCSI <ul style="list-style-type: none"><li>• Michael Taft, SIPTU Researcher: Economic democracy in the workplace.</li><li>• Simel Esim, Head, Co-operatives Unit, International Labour Organization: Co-operatives in the Future of Work and at the ILO.</li><li>• Richard Higginson &amp; Ryan McAuley, members, Loveworks Co-operative, Belfast: Case study of Loveworks.</li></ul> |
| 11.45am | <b>Q&amp;A/Panel:</b> Michael Taft, Simel Esim, Richard Higginson and Cian McMahon (NUI Galway).   |
| 12.45pm | <b>Lunch</b>   |
| 1.30pm  | <b>Lessons from elsewhere/supports</b><br><br>Chair: Fiona Dunkin, SCSI <ul style="list-style-type: none"><li>• Siôn Whellens, Vice-President CECOP/Co-operative advisor: Worker co-operative organising in the UK: future perspectives.</li><li>• Bridget Carroll, Centre for Co-operative Studies, UCC: Worker Co-operative Development; challenges and supports.</li></ul>  |
| 2.15pm  | <b>Breakout Discussion</b>   |
| 3.00pm  | <b>Feedback and Responses:</b> Siôn Whellens, Bridget Carroll and Sam Toland (Co-operator).  |
| 3.30 pm | <b>Concluding remarks</b>  |

## Opening Session

### Welcome address

#### **Bridget Carroll, Society for Co-operative Studies in Ireland (SCSI)**

Good morning. My name is Bridget Carroll and I'm the Treasurer of the Society for Co-operative Studies in Ireland (SCSI). For those of you not familiar with the Society, it's a voluntary, member-based organisation which aims to co-ordinate and promote the development of research and education in co-operatives in Ireland. The Society is made up of co-operators, academics, practitioners, representative bodies and other interested parties, north and south. It is very much open to new members, and we have application forms here today if anybody would like to join. In recent years, the Society has run a number of seminars on the role of co-operatives; in renewable energy, in elder care and, most recently, in housing. These were very well-attended events held in the Wood Quay venue, and I know that some of you here today attended them.

This year, we decided to turn our attention to the topic of worker co-operatives, and we're delighted to have SIPTU partnering with us on this today. So, why the topic? In tandem with the numbers of those employed increasing in Ireland – it has thankfully risen and that is great – there has also been a rise in non-standard jobs, in temporary and insecure work, in bogus self-employment and in freelancing, and while legislation has just been introduced here to improve the security and the predictability of work, for those with insecure contracts or hours of work and for those working variable hours, there are questions about how that's going to be implemented and how that will unfold. And, of course, rising employment has not been universal. Worldwide, youth unemployment and unemployment amongst certain cohorts of the population, have been particularly worrying. Other significant challenges include rising income inequality and in-work poverty. There are also concerns of course around climate change and prioritising and managing scarce resources.

We will hear today from Simel Esim of the ILO; one of the ILO's recent reports highlights that economic growth is disconnected from employment growth, and that is central to the future of work debate that is also very topical at the moment. As you probably know, that debate centres around the impacts that artificial intelligence, robotics and automation will have on jobs, skills and wages.

All of these issues highlight the importance of worker autonomy and worker voice and worker ownership and lead us to consider wider issues of economic democracy – extending democracy wider than the political sphere to the broader economy.

Worker co-operatives and other forms of employee ownership are expressions of that. Worker co-operatives, and I'm talking about businesses that are owned and controlled by the people who work in them, provide one concrete tool to address some of the issues I have just mentioned. And, like other co-operatives, they are committed to solidarity and equity, to self-help and mutual effort and they provide an opportunity for members to become co-owners, to create meaningful and good quality jobs, to have a voice and a degree of autonomy, to experience democracy and solidarity and to share risks and benefits. Co-operatives in general have demonstrated a very considerable capacity to create a significant number of jobs worldwide, but undoubtedly the worker co-operative sector is a smaller sector of co-operatives overall and is certainly not without its challenges and, in some cases, baggage, and I think we need to acknowledge that also. There has been very little in the public domain about the topic of economic democracy and the role of worker co-operatives and that is why the Society for Co-operative Studies in Ireland decided to choose the theme for today's event.

The purpose of the seminar today is to provide a forum for discussion and debate and dialogue about some of the issues, some of the opportunities, some of the challenges and some of the supports that might be required by worker co-operatives, including the role trade unions could perform, and that is reflected in the range of speakers we have here today. Clearly, we could have included many more speakers, particularly more co-operatives, I am conscious of that, but we wanted to allow for attendees to participate as well.

In terms of what we are hoping might come out of today's seminar, we do not want to pre-empt it too much, but we certainly think that there might be scope to reinvigorate the Workers' Co-operative Network that was established a number of years ago and that has fallen a little bit aside. Clearly, there's an opportunity to develop new alliances and so forth. I think there is an opportunity to develop some follow-up events, be they technical or otherwise, and I would certainly be interested in getting involved in that – perhaps some events with a more practical focus. I am certainly interested in collaborating, and the Society in collaborating with those interested in convening further events or conducting research, and we would hope to have conference proceedings emanating from today also. We have seen an interest in worker co-operatives elsewhere and our hope is that by meeting here today and interacting today and chatting today, we might find some inspiration and we might inform debate, which might lead to a renewed recognition of the potential role of worker co-operatives and the worker co-operative model in Ireland and elsewhere.

Our chair for this morning is Tiziana O'Hara. Tiziana who hails from Italy is now based in Belfast. She is Chair of the Society for Co-operative Studies in Ireland. She is also a founding member of Co-operative Alternatives<sup>1</sup>, the co-operative development body based in Belfast, and has much experience in the area of co-operatives and worker co-operatives, so thank you very much and I hope we have a very good and rewarding day.

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<sup>1</sup> <http://www.coopalternatives.coop/>

## Speakers

### Economic democracy, the future of work and worker co-operatives

#### Chair, Tiziana O'Hara, SCSi

Thank you Bridget, and thank you to all of you for coming. I want to thank SIPTU for allowing us this beautiful venue. I want to also thank the sponsors, Co-operative Housing Ireland, the Irish League of Credit Unions, ICOS, the Centre for Co-operative Studies in University College Cork and Unite. Most of all, I want to thank our speakers because they have travelled far, some of them from Belfast, others from England and from Geneva in Switzerland, so thank you very much for putting in the effort to come and share your experience today with us.

I want to now invite the first speaker, Michael Taft. Michael is a researcher in SIPTU, one of, if not the largest trade union in the country.

### Economic democracy in the workplace

#### Michael Taft, SIPTU Researcher

Thank you. I think that today we will be hearing a lot of analysis of programmes and proposals, and examples from other countries. What I want to do is start off, actually, on a different tack and kind of provide a backdrop to the issue of economic democracy itself and where trade unions and co-operatives, which are main actors in that struggle, where they fit not only within democracy, the democratic agenda, but also how they fit with each other. So, it's less of a programmatic and more of a think piece.

There are many arguments for economic democracy. There are rights-based arguments, which are based on the fact that we have these democratic rights in political society, why can't we have them in the economy and the workplace?

There are performance-based arguments, which show that under increasing economic democracy, enterprises and the economy have better outcomes and better performance. There are psychosocial arguments, which show how it enhances the individual and their life quality. But all these are made ineffectual, they're made redundant, because economic democracy itself is painted as naïve, or as impractical, or somehow anti-business or anti-entrepreneurial. But the real complaint that some people, some interests, have against economic democracy is that it unapologetically privileges labour in the production process. It can't be otherwise. It is labour that produces the goods and services that people need or want to buy.

And this is economic democracy at its most audacious – that people, the producers, have the capacity to run workplaces and economies in a better, more efficient and more sustainable way than capital. It's in this privileging of labour where the trade union movement and the co-operatives come in: the trade union movement comes in because it's about bringing the producers together collectively to exert more influence than they can individually and the co-operatives come in because this is where labour hires capital rather than the other way around.

But, unfortunately, the trade union movement and co-operatives enter different stations, if you will, on this track, different parts of the process, and this can help explain why, though they have so much in common, they do not always act in concert. We can get an understanding of this by looking at the ladder of participation and productivity. I mean, the jury is not out, it came in a long time ago.



To take one example, take the example of employee participation. Now, it's a pretty bland term. However, I believe it conceals a more essential, insidious message. Academic studies, government reports, special commission institutes all report that the greater the participation of employees in the decision-making process, the more autonomy they have in the workplace, the better the performance of the enterprise. Now this participation, of course, operates on a continuum, or like rungs up the ladder. It first starts with a very simple thing – the right to information – and then it can go up to the right to suggest, prior consultation, the right to bargaining, the right to veto, co-decision and, finally, unilateral workers' decisions, which is where co-operatives are placed. Each step up these rungs can be shown to improve the performance of the enterprise, so if the evidence is so overwhelming, why isn't there more democracy at enterprise level?

Well, quite simply, it undermines certain vested interests. It undermines the social status of certain actors in the enterprise and it potentially undermines the financial interest. Ever since societies have started producing surpluses, a long, long time ago, there has been a hierarchy that dictates what is to be produced, how it is produced, where it's produced, when it's produced, on what terms it'll be produced and, most importantly, who gets the majority of the benefit from that production. That is the source of social and political power and that's where the trade union and co-operative movement enter the fray, at the enterprise level.

However, they enter at different rungs on the ladder. The trade union movement starts on the most fundamental basis, and that is to organise the voice and the potential power of collective action. We're a long way's away from co-decision in many cases, certainly here in Ireland, never mind unilateral workers' decision. That's where we start. So, if you will, we start at the beginning. Co-operatives, on the other hand, start at the top of the ladder, if you will. They already start as contractual owners of the firm and I would suggest that these different stations give a different kind of perspective on the situation and they give different strategies. One perspective might be that workers in a co-operative are both producers and owners, whereas workers in a traditional capital-privilege firm are the one, but not the other – they're producers but not owners.

However, if you look at this again, the distance is not so great. I would argue that workers in both types of enterprise want their business to succeed. Obviously, workers in the co-operatives want it to succeed; that's the reason they set up the co-operative in the first place. But so do workers in the traditional firm. Living standards, wages, job security, social benefits and social networks are all vindicated by and through the enterprise. Nobody wants the business they work in to fail. In fact, I'd go even further: what is the biggest group of people in any firm that wants that firm to succeed? It's not the shareholders, it's not the management, it's the workers. They're the biggest ones, they're the ones with the most vested interest in it. Shareholders are, by definition, especially in large corporations, only there for the short term. It's only what they can leverage out of share appreciation and dividends. For the most part firms, for them, rarely have a future. Quite promiscuous these shareholders, they're flopping all around the place looking for the best return they can get, sometimes in a few seconds.

For the workers, they look to the firm for their future and they see their future through that business. So, given the importance of the firm to economic democracy, we need to actually reframe the idea of ownership itself and this is where, again, I think there's a potential overlap, at least in this particular area.

We need to reframe the idea of ownership and we will get a lot of help in that if we start that process. Academics, lawyers, researchers and even court rulings have all concluded that no one owns a corporation. No one owns a corporation. It is a legal fiction. A corporation has been described as a legal person, a nexus of contracts, a franchise government which is neither public nor private, an economic commons. It has been described in terms of hard stakeholder theory, soft stakeholder theory, but in all cases they talk about workers, management, shareholders, suppliers, community in the state, all having an interest in the business and all having rights and obligations in this corporation. Now if shareholders and managers have power, that's not due to the essential nature of the enterprise, it's due to its social construction. Corporations are socially constructed; they're creatures of law, and law and corporate governance give them power, not what the enterprise itself does.

Now, this can appear highly theoretical and detached from our day-to-day experience, but I would argue it actually gets to the heart of the matter. We are all too aware, especially in the trade union movement, what happens when you enter a debate that is framed by your adversaries, where the terms of the debate are defined against your own interests.

I'll give you an example. Take the term 'labour costs'. Labour costs: I mean, it's everywhere. In the media, commentators: "We have to keep labour costs low, we have to keep labour costs low". The CSO: Earnings and Labour Costs. The Eurostat: Labour Cost Index. The whole idea is to suggest that labour is a cost, rather than a co-generator of value added, and therefore we must keep costs low. "Labour markets must be flexible; labour markets must be adaptable", which means businesses have to be very nimble in this fast-changing dynamic world and, of course, organised workers with their trade union representatives, meeting after meeting, that kind of undermines flexibility, undermines adaptability and that whole nimbleness. "We can no longer afford permanent full-time jobs; we need to be competitive".

When we enter the debate, we've already lost it because the terms are set against us, because at the end of the day it's the employers, the management and entrepreneurs who are the wealth creators. And who can be opposed to wealth creation? But it goes even deeper than that because democracy's enemies are pretty powerful. They have market power that allows them to mould political institutions and policies. But they derive this power from their dominations of ideas, which are deeply rooted in what the great political philosopher (Gramsci) called 'the fortresses and trenches that constitute civil society'. Democracy's enemies license what is acceptable to think and what is not. What is unthinkable and what is practical, what is impractical. In other words, they decide what is common sense, in the debate today. And that's what we struggle against in terms of economic democracy.

And here's the kicker: how do they enforce this licence? We do it for them. We do it for them. We adopt, ourselves, what is acceptable, in terms of democracy, and what is unthinkable, as if we came up with these ideas ourselves. Such is the power of this common sense that we end up policing ourselves through a common sense that has been won over by forces that are inimical to our own. So, ironically, the debate that we lose before we enter is actually framed by ourselves. Therefore, I would suggest that economic democracy is first and foremost a cultural struggle. It is a struggle over ideas, what is desirable and what is practical. It's about refashioning common sense so it actually reaches people. It gives people an idea that there's an alternative construction. The way the enterprise is constructed today, it pretends to be part of the natural order, but it's not.

In an alternative construction, capital has rights, of course, it has contractual rights but it has no ownership and workers are no longer mere vendors of labour, somehow kind of a downsized party in the deliberation process. Now, at first glance, the co-operative movement seems to have solved this issue since they are both producers and shareholders. I guess when you're at the top of the ladder these kind of problems don't affect you. I would suggest they do, in a very real way, even in fully blown co-operatives because the co-operatives can be extremely circumscribed and vulnerable in markets which are dominated by capital. They may be forced to compete with traditional companies that pursue predatory policies, race-to-the-bottom labour strategies, below market selling. They externalise their costs in a way co-operatives don't, or won't, and this is especially true in the environmental sphere. And co-operatives face discrimination, not only by the financial system, banks and other financial actors, but by professionals.

We don't have the long-established and deeply rooted ecosystems that sustain co-operatives in the Bologna or Basque regions, say in the American plywood industry or the French construction sector. I would argue that Irish co-operatives, especially since they're now so weak, would have a better chance of succeeding if it was part of a democratic agenda, where economic democracy was making advances throughout the markets, where collective bargaining was widespread, where transparency is not the exception but the rule, where precarious practices are suppressed and where there is a supportive public banking system.

That democratic agenda, I think, is the co-operatives' best hope for taking root. But it's not just about reframing the enterprise.... it's also about developing alternative enterprise models, it's about the state taking equity in firms that they actually assist. And they can use that equity to leverage greater worker participation in that

firm, collective bargaining, workers on the board of directors and even succession rights in the eventuality of sale or retirement. So, the state can leverage the support that it gives in terms of grants and tax breaks and public procurement contracts.

There are other examples of this, but economic democracy cannot only help the co-operative movement, it can help the trade union movement square a perennial circle. The Fabian Society in the UK followed up on an earlier survey by the TUC (Trade Union Congress) and they asked people what they wanted from their workplace. Well, it wouldn't be surprising: they wanted fair pay, they wanted certainty of hours, they wanted opportunities for advancement and promotion, they wanted a chance to learn new skills, they wanted a better work-life balance, reductions in the gender pay gap and a say in how their work is organised.

All of these point to the enterprise as a social space, this enterprise where nobody owns it, everybody comes together and it's a social space. The Fabian survey also indicated that employees want the trade unions to protect them from problems that arise, that is protect them from employers' actions. But, at the same time, they want unions to work with employers, so protect from and work with. This might sound contradictory, but it isn't, not in the actual existing world of the workplace. The enterprise may be the source of workers' living standards, as I mentioned, but it's also the source of insecurity, stress, discrimination and loss of income in the case of loss of job or loss of hours. You know, capital will do what it can, it will give what it has to, unless there's a countervailing collective force.

So, the trade union movement can actually reconfigure this, square the circle of working, protecting from and working with in the context of reframing the idea of the enterprise as a social space, as part of a wider democratic agenda. To give you an example, it's been shown conclusively that collective bargaining leads to higher productivity in firms. That jury, again, is not out. It's been in a long time ago. So, what happens when management refuses collective rights? We see that all the time here. I think it's an obscenity in the twenty-first century that men and women have to march up and down a pavement to gain a right that is by law the right of workers in other countries. It's absolutely obscene that they have to withdraw their labour and march up and down for whole days and weeks, up and down a pavement to gain this right.

When management refuses collective rights, what they are actually doing is undermining the enterprise's performance. If collective bargaining leads to better performance, they're actually undermining it and they're harming other interests or stakeholders in the firm. Therefore, when workers in the trade union movement are trying to reframe the common sense, when we're trying to unpick these alliances that currently oppose us, finding the fault lines and that, we will have to speak out on behalf of all interests in that social space. Therefore, we must become the guardian of all those interests; in other words we must make the social space ours. This, I think, would have extremely provocative implications for a strategy.

So, finally, where do we start in all this? Well, I think we start at the simplest, at what trade unions and co-operatives, the very essence of them, are about – to challenge the infantilization of people, whether in the workplace or civil society. We've seen this throughout history, you know: "You don't have the capacity to read or understand the sacred texts, so you need priests to read and interpret it for you". We've heard it recently in the last ten years since the crash: people don't have the ability to understand the complex economic issues or sophisticated business strategies; we need experts to tell us.

A number of cultural tools are employed to maintain these hierarchies, establish this common sense, and then we absorb it. These need to be challenged and that's exactly what the trade union movement and co-operative movement does. They challenge the sociology of infantilism.

All of us here promote the idea that people are capable of writing their own contracts, possessing the knowledge of their workplace and their craft and their ability to run the workplace and the economy. That is the very first condition of democracy, convincing people of that. If that's where the trade unions and co-operatives begin, that would be an excellent starting point. Thank you.



## Co-operatives in the Future of Work and at the ILO

### Simel Esim, Head, Co-operatives Unit, International Labour Organization

#### Introduction

Good morning everyone. Many thanks to the Society of Co-operative Studies in Ireland for inviting me here today.

The profound changes that are taking place in the world of work are placing unprecedented pressures on workers. The Global Commission on the Future of Work<sup>2</sup>, that Bridget mentioned earlier, has noted that the world needs innovative solutions to improve employment opportunities and working conditions, the organisation and governance of work. In this context, the topic of the event here today, connecting and exploring the links between economic democracy and worker co-operatives is very timely and relevant.

There is growing interest in economic models based on co-operation, mutualism and self-help around the world and in 2017, a report of experts on Alternative Models of Ownership in the UK<sup>3</sup> noted that co-operative ownership can increase employment stability and productivity and make firms more democratic. The report says, for the expansion of co-operatives, a conducive ecosystem is needed with an improved regulatory environment, access to finance and strengthened support institutions.

At the ILO, we do get requests from workers' organisations and governments to support them in setting up such ecosystems, conducive to the growth of co-operatives and the wider social and solidarity economy in countries like South Africa and Tunisia. Perhaps in the question-and-answer discussion session we could reflect a little bit around this continuum of co-operatives and solidarity economy framework and, you know, the use of social enterprise, when is it right, when is it not so right.

According to CICOPA, a sectoral organisation of the ICA, co-ops employ around 10% of the world's employed population and the number of people in membership is estimated around 1.2 billion. Numbers are critical as there are no harmonised and comparable data on co-operatives across countries or sectors. At the 20th International Conference of Labour Statisticians last year, in October, an international standard was employed, it was adopted, and in fact the Irish statistics agency (CSO) was there at the deliberations. These guidelines on statistics of co-operatives, we hope, will help improve how information on co-operatives is gathered and reported upon. Again, perhaps something we can elaborate on in the discussion.

<sup>2</sup> [https://www.ilo.org/global/topics/future-of-work/WCMS\\_569528/lang--en/index.htm](https://www.ilo.org/global/topics/future-of-work/WCMS_569528/lang--en/index.htm)

<sup>3</sup> <https://labour.org.uk/wp-content/uploads/2017/10/Alternative-Models-of-Ownership.pdf>

So, what does ILO have to do with co-operatives? It is the specialised agency of the United Nations, responsible for the world of work. It has a Decent Work agenda, which is also reflected in Sustainable Development Goal 8 of the United Nations 2030 Development Agenda, and this year the International Day of Co-operatives on July 6 is also focusing on decent work. What do we mean by 'decent work'? It involves opportunities for work that's productive, delivers a fair income, security in the workplace, social protection for families, better prospects for personal development, social development, social integration, freedoms for people to express their concerns, organise and participate in decisions that affect their lives and equality of opportunity and treatment for all. It's a mouthful!

The ILO, in this context, recognises the relevance of co-operatives to its mandate toward achieving social justice since 1919, its foundation, a hundred years ago. And it's the only specialised agency of the United Nations with an explicit mandate on co-operatives. This is reflected in its constitution. It says especially when workers' and employers' organisations are not there for the voices of the workers, then we can consult with movements like the co-operative movement. Since 1920, the unit where I am also based, the Co-operatives Unit has been around.

The first Director of the ILO, Albert Thomas, was a French co-operator and a member of the Central Committee of the International Co-operative Alliance (ICA). Through the ICA the co-op movement has general consultative status at the ILO. It was involved in the process leading up to the adoption of the Recommendation on the Promotion of Co-operatives in 2002, Recommendation 193.<sup>4</sup> This is important because countries often use this recommendation as their reference point in revamping, updating their co-operative legislation. To date, more than 100 countries have done so.

On June 24 this year, the co-op movement and the ILO will have an event on co-operatives and the future of work in Geneva. The two organisations' leaders will sign a memorandum of understanding, and I think it will be very important that the terms 'economic democracy' and 'worker co-operatives' are there, so from your end and from our end, we need to push for that. There will be a jointly produced book coming out on co-operatives and the world of work from Routledge on the International Day of Co-operatives.

The ILO is celebrating its centenary this year and governments, employers and workers' organisations, as well as the co-op movement, are discussing how to shape the future of the work we want, in light of these changes that Bridget talked about, the technological, economic, demographic and environmental. So, I want to just say a few words about these mega trends in relation with co-operatives.

## Co-operative responses to megatrends

First, technology. New technologies are changing the way work is organised and governed, especially in emerging sectors like the platform economy, and some significant job losses are expected, but some jobs are also expected to be transformed, and new jobs are likely to be created that will require new sets of skills. Some see the platform economy as an economic opportunity. However there is growing evidence that it creates unregulated spaces, resulting in worker insecurity and deteriorating working conditions. Policy and legal frameworks often, as we see, lag behind in addressing these changes.

For the positive potential of technology to be realised and the threat of increased unemployment and domination of capital over labour to be countered, new models of collective ownership and democratic governance could be used. I'm saying new, but old being perhaps rediscovered is the right term. Co-operatives can help strengthen voice and representation of workers in the platform economy. Platform co-operatives are being formed by freelance workers as worker co-operatives, but also user co-operatives in providing services. Taxi drivers is one group of workers that have set up worker co-operatives in recent years and use open-access online applications to counter the intermediation of ride-hailing companies that withhold rights and benefits from their drivers.<sup>5</sup> And we see unions being involved in helping set up these worker co-operatives in quite a few cases.

<sup>4</sup> [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:R193](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R193)

<sup>5</sup> Scholz, T. 2014. *Platform cooperativism vs. the sharing economy*, <https://medium.com/@trebors/platform-cooperativism-vs-the-sharing-economy-2ea737f1b5ad#.bydrs7l39> [6 February 2017]

Within the field of technology, youth is, I think, discovering also co-operative ownership, a collaborative approach, working together and sharing risks and responsibilities in co-operatives. It's emerging as something that's appealing for youth and we see this in the global south as well as in the global north.

## Climate change

On the climate change front, these concerns are affecting the world of work in various ways. Green jobs and green enterprises are on the rise. Co-operatives can be instrumental in ensuring a just transition while working on climate change adaptation and mitigation. Mutual insurance for crops, diversification of crops, energy saving, irrigation construction technologies/techniques are only a few adaptation strategies that can be used. Prominent examples of mitigation include forestry co-ops and renewable energy co-ops. Before coming here, I noticed that there were also some efforts, when I was checking online, efforts around renewable energy co-ops and you have also forestry co-ops in Ireland. Such co-ops, forestry co-ops, have been set up around the globe, from Japan to India and Indonesia to secure the livelihoods of forest communities while using sustainable forestry practices.

In urban areas in the Global South, co-operatives are being set up in waste management. India, Brazil, Colombia, South Africa have waste-picker co-operatives that provide services for improved waste management and recycling and negotiate with local governments to integrate their members into waste management chains and support their members in accessing occupational safety and health, training and financial services and trade unions<sup>6</sup>, again, have been involved in this, most recently in Turkey.

## Demographic changes

Demographic changes are also bringing new challenges to the world of work. In some countries, especially in the Global North, low birth rates and aging populations are pressing issues. Jobs in the silver and care economies are projected to keep growing and we see co-operative ownership of services, such as housing, leisure and care, enable senior members to control decisions and lead more independent lives.<sup>7</sup> Our own research shows care co-operatives encourage beneficiaries to actively participate in care plans and, compared to other ownership models, they tend to provide better wages and benefits to workers, especially when they are members of the co-operative. Often, women are the majority of workers, members and leaders in these co-operatives and it would be good to get more men on board to reverse some of the gender-based occupational segregation in this sector.

The future of work is expected to witness a continued increase in migrant and refugee populations. Co-operatives are emerging as employers of refugees, especially for instance in the agriculture and construction sectors. In Lebanon, Jordan, Sweden and then in host countries like Germany, Italy, Canada, co-operatives offer integration services, employment and training for refugees.<sup>8</sup> Social co-ops like in Tiziana's country, Italy, are actually doing a lot in a range of services for migrants and refugees, in partnership with local government. Local government is emerging as a very strong theme, especially in social co-operatives and care co-operatives. We are working quite a bit with refugee populations on how co-operatives can be activated in host communities to employ and integrate refugees, perhaps something to discuss in the Q&A.

## Economic trends

With respect to economic trends, the world continues to face economic challenges, including persistent income inequalities and increasing precarity of work. Two billion people, 61% of the global employed population, earn a living from the informal economy, which is characterised by significant decent work deficits – lack of labour and social protection, and low and irregular incomes.

<sup>6</sup> ILO. 2014. *Tackling informality in e-waste management: The potential of cooperative enterprises*. Available at: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_dialogue/---sector/documents/publication/wcms\\_315228.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_315228.pdf)

<sup>7</sup> ILO. 2017. *Providing Care through Cooperatives 2: Literature Review and Case Studies*. Available at: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/---coop/documents/publication/wcms\\_546178.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_546178.pdf)

<sup>8</sup> See <https://www.beemyjob.it/> and [http://www.ilo.org/ankara/news/WCMS\\_618225/lang--en/index.htm](http://www.ilo.org/ankara/news/WCMS_618225/lang--en/index.htm)

We work a great deal with domestic workers and their unions, membership-based associations, including co-operatives, and these are largely women and migrants, among informal economy workers, who are without clear terms and conditions of employment, and often excluded from labour laws.<sup>9,10</sup>

Domestic workers, consisting largely of women and migrants, are among informal economy workers who work for private households, often unregistered, without clear terms and conditions of employment. They have been establishing unions around the world to gain recognition for their members. They have also been using co-operatives to provide services such as job placement, access to finance and training, as well as occupational safety and health in countries like South Korea, Trinidad & Tobago, and the United States.

### **Worker co-operatives; opportunities and challenges**

Above were examples of worker co-operatives responding to emerging megatrends, seeking to rectify deficits in legal and social protection and substandard working conditions. I now wish to address some of the opportunities and challenges that co-operatives in general and worker co-operatives, in particular, face.

Worker co-operatives have proven to be sustainable enterprises with similar and often higher survival rates than conventional enterprises. They have a good record in terms of productivity and job preservation, as well as debt to equity ratio.<sup>11</sup> Worker co-operatives, Michael mentioned, emerge from diverse circumstances. Workers in firms with economic potential can buy out and transform the firms into worker enterprises. These are growing in numbers in Brazil, Argentina, Spain and Italy.

The worker co-op could also be due to the retirement of aging owners when there is no clear plan for the future of the enterprise. France and Canada are among the countries that have passed social and solidarity economy laws, which include provisions to facilitate such transition and trade unions have been very much involved in this kind of transition in countries like Canada.<sup>12</sup>

### **Policy and regulatory challenges**

Advances have been made in improving regulatory environments for co-operatives in general and worker co-operatives in particular across countries. There are still many countries where the legal frameworks lag behind the changing realities. Quite a few countries with nascent worker, social and platform co-operatives do not have laws in place that would allow them to flourish.

In addition to regulatory frameworks, worker co-operatives need access to both advisory services, accompanying institutions and financial tools that can support the expansion and replication of good practices. Financing is among the most pressing challenges for many start-up co-operatives. Partnerships with local governments are emerging as good practices.

A concern has been raised as to whether co-operatives are trying to fill a retreat of government services. We need to better understand the complementarities and possible tensions between public, co-operative, and other private enterprises.

The evidence base of the successes and challenges of worker co-operatives, particularly in relation to the wider future of work discussion, is still limited. While worker co-operatives present an interesting alternative for employment relationship, more knowledge is needed on their role in addressing decent work deficits.

<sup>9</sup> [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\\_626831.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_626831.pdf)

<sup>10</sup> ILO. 2016b. *Social contract and the future of work: Inequality, income security, labour relations and social dialogue*. The Future of Work Centenary Initiative Issue Note Series No. 4.

<sup>11</sup> Ibid.

<sup>12</sup> ILO. 2014. *Job preservation through worker cooperatives: An overview of international experiences and strategies*. Available at: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_dialogue/---actrav/documents/publication/wcms\\_312039.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---actrav/documents/publication/wcms_312039.pdf)

## Building alliances for decent work

In some countries, for instance in Colombia and the Philippines, the co-operative form has been abused by unscrupulous employers to circumvent labour legislation, resulting in pseudo co-operative practices. There are emerging alliances between unions, co-operative movements and labour authorities to join forces in eliminating such false practices in countries like Brazil, Italy, and Argentina.

I want to share with you findings from an ILO survey with trade unions in 109 countries where the unions were asked about services they provide or want to provide to their members.<sup>13</sup> Among the unions, 85 per cent stated that it was important for labour organisations to work with co-operatives to improve standards of living. Half of the unions surveyed said that they provided financial services and two-thirds said they provided educational services. Three quarters of the responding unions were interested in providing support for worker/producer co-operatives. More than two thirds were interested in providing health care, financial and consumer services for their members.

Interest in providing co-operative and other services was higher among unions where members were workers in informal and rural economies. Trade union interest in co-operatives is consistent with historical experience. Trade unions have used the co-operative model to protect and advance workers' rights and welfare and to deliver services to them.

In the Global South organizations like the Self-Employed Women's Association of India use a dual strategy of unionism and co-operativism. While the union fights for the rights of the workers, the co-operative addresses livelihoods concerns, including extending access to social protection and other services.<sup>14</sup>

The CICOPA World Declaration on Worker Cooperatives refers to "the social and economic function" of worker owned co-operatives "in creating decent and sustainable jobs, while also preventing deviations or abuses." The Declaration also maintains that States should "[a]pply to worker cooperatives the ILO concept of Decent Work."<sup>15</sup>

In October 2018, the ICA adopted a declaration on decent work and against harassment. Co-operatives, as democratic member-led businesses, can help bring about changes in the way work is organized and how wealth is distributed. One specific way co-operatives can advance decent work is by addressing fundamental principles and rights at work - namely elimination of child labour, forced labour, discrimination and obstacles to freedom of association and collective bargaining. They can do so across their own operations and in the economic activities of their members in the global supply chains, especially in the lower tiers of supply chains.

Co-operatives are strong in agriculture, the sector featuring about 60 per cent of all child labour. Co-operatives in countries such as Ivory Coast, Paraguay, and Tanzania are preventing or withdrawing children from hazardous work and supporting children's education and development. The Consumer Co-operatives Co-op and Suma in the UK are implementing policies to prevent the use of forced labour in their supply chains.<sup>16</sup>

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<sup>13</sup> [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_554313.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_554313.pdf)

<sup>14</sup> ILO. 2018. *Advancing cooperation among women workers in the informal economy: The SEWA way*. Available at: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/---coop/documents/publication/wcms\\_633752.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_633752.pdf)

<sup>15</sup> [http://cicopa.coop/wp-content/uploads/2018/02/world\\_declaration\\_on\\_worker\\_coops\\_en.pdf](http://cicopa.coop/wp-content/uploads/2018/02/world_declaration_on_worker_coops_en.pdf)

<sup>16</sup> See: <http://www.thenews.coop/114272/news/co-operatives/co-op-group-offers-paid-work-new-life-victims-modern-slave-trade> and <http://www.suma.coop/about/faq/anti-slavery-statement/>



## **Conclusions**

Promoting social justice through decent and sustainable work for all, requires ongoing commitment and action. It requires social dialogue and cohesion and new ways of thinking. It requires connecting our societies, and groups within societies, bringing us together in an economy for all. As Richard Hyman has noted, “[t]he idea of economic democracy offers a vision of popular empowerment which could reinvigorate trade unionism as a social movement and help launch a struggle for a genuinely alternative economy – one in which, incidentally, unions themselves would be more likely to thrive”.<sup>17</sup>

At the ILO, there is growing interest in the concept of economic democracy. The question is on the agenda of the upcoming Regulating for Decent Work research conference that will take place in July 2019.<sup>18</sup> Worker co-operatives are proponents of the “democratisation of ownership and of the economy.” They offer a convergence of alliances for proponents of economic democracy, decent work, and the social and solidarity economy. They are thus in a unique position to contribute to a future of work we want<sup>19</sup>.

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<sup>17</sup> [http://www.global-labour-university.org/fileadmin/GLU\\_Column/papers/no\\_56\\_Hyman.pdf](http://www.global-labour-university.org/fileadmin/GLU_Column/papers/no_56_Hyman.pdf)

<sup>18</sup> [https://www.ilo.org/global/research/events-courses/rdw/6/WCMS\\_648021/lang--en/index.htm](https://www.ilo.org/global/research/events-courses/rdw/6/WCMS_648021/lang--en/index.htm)

<sup>19</sup> [http://cicopa.coop/wp-content/uploads/2018/02/world\\_declaration\\_on\\_worker\\_coops\\_en.pdf](http://cicopa.coop/wp-content/uploads/2018/02/world_declaration_on_worker_coops_en.pdf)



## Case study

### Ryan McAuley, member, Loveworks Co-operative, Belfast

My name's Ryan. I'll just tell you a wee bit about myself before I pass you over to Richard, just about how I came to be a member of Loveworks.

I started off with them about three or four years ago.... I grew up in west Belfast, a part of west Belfast that was notorious for drugs, stealing cars, everything else, a wee place called Divis. So I ended up in that life at a very young age. I grew up at thirteen or fourteen, taking Es, blues, everything else that you can think of. For me, I thought that was the life, I thought that was what I had to look forward to, that's my future. I rolled with it; I went with what my mates told me. I just kept stealing things, breaking into things, robbing places and eventually it got to the stage where the police caught up with me and I started a life of in and out of jail, homeless, on the streets, in and out of hostels, hating my life, and the older I got, the more I actually realised that this is my life, this is me: I'm 22/3/4, nothing's changing, everyone else is moving on, my friends are dying.

So, I need to change my life, but for me, with a criminal record the length of my leg, it's impossible to go out and get a job so I went straight back doing all my stuff, same shit, different day, I'm going to get a bag of grass. And eventually, I was at that point where I was going to take my life, I didn't really care anymore.

And I was actually getting friendly with the manager in the hostel at this time, about four years ago. His name was David and I was asking him, I just wanted to change my life: any ideas? He said to me: What do you think about maybe cycling, just getting a wee bike and going out every now and again and just trying to change it up slowly but surely? I said to him: No sweat, aye, but I'm skint; every bit of money I get I spend it on drugs, as you know. He says: Well leave it with me, I've a wee mate that's just started a wee business across the street; he might be able to get you a bike for cheap, or even just help you out. I said: Aye, no sweat. I sort of didn't have any hope because at that stage, there was no hope, it was like a black hole: Aye, sure mate, whatever you say.

But fair play to him, a week later he came back to me with a weird offer. It wasn't for a bike; it was for this man behind me (Richard) to actually come to the hostel and have a chat with me about buying me a bike. So, he came to the hostel and spoke to me and says: We're working across the street, we're doing an eight-week bike course with Loveworks Co-operative; if you want, come over once a week on a Wednesday and we'll train you up and show you basic bike repair; it'll get you out of the hostel a bit; as well as that, we can give you a free bike at the end of it. So it would actually help me out with my situation. For me, I just went, Aye, it'll help me, it'll be a few hours where I'm not off my head, I might actually do something different. So, I went over and did the bike course. I actually enjoyed it. I got to know the lads and thought, this is me, this is what I would have loved to have done in my life, but I've messed my life up. I don't have a chance to even do this.

Well, at the end of the bike course, when I expected to leave and go back into that lifestyle of just nothingness, Richard and the lads pulled me aside and said: If you want, you can keep coming on Wednesdays and keep

doing what you were doing and volunteer with Loveworks, see how you get on, see if you like it; we have a gardening team as well so if you want to do that, we can get you to do a few more days a week. I went, Aye, that's what I wanted, to be honest, all my life. I've been looking for this type of opportunity almost. So I went, Aye, no sweat, let's do it. And I slowly weaned myself off the drugs as well, while working with them.

That started a life change at a drastic speed. I went from sitting all day every day on the streets, taking Es, to planning to get a house within weeks of meeting Loveworks. They helped me secure my first house, get me out of the hostel, get me on my feet, gave me the chance and the motivation and the confidence to say, Yeah well I did mess up, but I have a chance to rebuild my life, say sorry to a community that I destroyed and start helping them out, pay back some of the sins that I committed.

Slowly but surely, I kept working away, doing more and more hours. After about a year and a half, the lads pulled me aside again and said: You're at the stage where you're confident enough to go self-employed so why don't you start thinking about that, get off Jobseeker's Allowance, go on to the next stage in your personal progression and actually take control of your life?

That was about two years ago, I decided to go self-employed and from there it's just went up and up. From doing a few hours a week to doing 40 hours a week, paying myself minimum wage and just loving my life at the minute, and that's still going now thanks to Loveworks. Just the support that they give me. And that's all I want to say. I'll pass you over to Richard now. Thanks for listening.

## Case study

### **Richard Higginson, member, Loveworks Co-operative, Belfast**

We're workers with Loveworks and I knew very little about co-operatives and workers' co-operatives when we started. When some of the guys were involved in the bike workshop and the community gardening project we had running, we saw the income-generating potential and the idea that was thrown into my mind was, rather than continually recruiting new cohorts of participants, which was kind of the general expectation from grant funders, why don't we try and sustain the livelihoods of the people that are benefitting already, rather than signpost them somewhere else and lose contact, inevitably, with them, can we set up a structure that sustains the relational commitment as well as actually being able to draw a wage from it?

And that was, I suppose, my vision at the outset. We spent some time thinking through the legal structures. During that process, I met Tiziana (O'Hara, Co-operative Alternatives) who really introduced me to the co-operative world and the reason why we went for the workers' co-operative structure was we saw its empowerment potential. You've seen from Ryan's story how the past can continue to condemn you as you move into the future. We've all made mistakes, but when you've a criminal record, often you keep coming up against barriers in society that are preventing you from progressing, and we wanted to do something about that.

And so, our vision is to generate dignity and wellbeing through our engagement in work. There's some of us (picture) there in front of our base in north Belfast. So, we wanted to remove barriers to progression for our workers and rather than having just one operation, we thought: variety is the spice of life, let's have three. We, probably quite naively, embarked on a business journey.

None of us had any experience of business before, just a vision to help people and I think what was fueling it was the experience collectively of the empowerment that was already happening, people even engaging with work on a regular basis and starting to see the potential of it, how it could generate income. There's a momentum with that, a collective momentum which really fuelled the venture that we were embarking on to start to share something together and with that, my role changed as well from being the traditional project manager to a co-worker in a structure where we're all on a level playing field, and all directors of the same business.

With three operations, as I said, our bakery is one of them and ... initially we chose things that were relatively simple and accessible and focused it around handcraft, something that was useful for living. If you can make something that you can eat, you'll not go hungry.

Our bakery today is held up by a guy called Justin Nicholl, who's a local artisan, a chef, very skilled, but we didn't have him initially. He's been a friend of mine for a number of years, but he decided to be a sole trader in the locality for the first three years, but really reached his capacity and we remained in contact over the period of that time. He was looking with interest at how we were doing. And then about a year ago he said: Look, I really need more people around me to continue to develop and grow the bakery; should we join up? And that's been a real game changer for us, and Justin has done a fantastic job of developing our bakery and starting a weekly weekend café from our premises, which is going really well.

So what we're starting to see is how what's happening with the workers is impacting the wider community, how we've been able to create a place where local residents want to come for their breakfast, for coffee and a tray bake on a Saturday morning and get round a table with their neighbours and with their friends. We're delighted to see that growth in social capital in our local community.

We have a bike repair operation as well. Many of the guys that we work with have been tinkering with bikes and are interested in bikes, so it was an area of interest but also it was an area of need for many of the guys – they need a bike to get about, so it was relevant for them. The gardening started in a kind of community garden context, but now it's more domestic – ground maintenance and landscaping work. A lot of our work, now, is very local. Initially we were doing smaller jobs over a wider geographical area. Now the work is very localised. It's bigger jobs as well.

That's been a confidence builder for us, but also as the community has got to know us, they feel more confident in asking us to do work for them. So, what have we got to say about economic democracy? We're learning more about who we are, really. What it means to be a workers' co-operative. We're really excited to be here. There's six of us here today. Please do chat with us if you want to find out more.



This photo was taken from one of our monthly members' meetings where we discuss the various aspects of what we do. We take a co-operative principle each month, make sure that there's a shared understanding of the principles that undergird who we are. We look at our rota. Initially we started on a drop-in schedule, but then we realised that's not terribly efficient, so now we've started a shift rota to try and minimise the hours and maximise the wage, at the end of the day. One of our goals has been to hit the minimum wage rate. Our journey to date has been a slow growth. It's certainly been, from day one, a volunteer type of engagement. We've not been in a place to pay out wages from day one. We've grown into that place, but the journey has confirmed to us that it's possible, and it's certainly sustainable. Just last year, only 5% of our turnover was from grants and the rest was all sales revenue, so that's an indicator of the power of the worker generating the income.

So, what economic democracy means for us is, autonomy is a big thing. From a context of disempowerment, of coming from a background of crime or addiction or homelessness, or feeling that society is set against you, and experiencing a lot of barriers, to suddenly having an opportunity to be the boss in your own work. There are risks attached with that but at the same time there's the potential for great opportunity and empowerment.

I think that's been our testimony – guys really taking that opportunity with both hands. I think what, in terms of our shared values, we actually enjoy work, we enjoy the work that we do, but we like each other as well. We're friends. Some of us talk about Loveworks being family. It's about not only connecting as workers but connecting with the wider community. For some of us, not having had a great experience of family, to experience that in a healthy way in the workplace, as well as being able to serve customers that really value who we are and what we do is a tremendous encouragement to us.

One of the principles of co-operatives, many of you will know, is economic member participation, so we get to decide how we pay our wages. Basically, we have agreed to pay ourselves what we can afford, and, for the large part, that's been below the minimum wage. Yet, that's been set against the benefit dependency; so, there's been a tipping point where, as workers, we've got fed up with the undignified cycle of benefit dependency and then, at the same time, engaging with Loveworks, there's been a point where the workers have felt, you know what, I'm ready to take the leap. And that's not been without risk.

Out of ten members, six of our workers are 100% dependent financially on Loveworks, working about 30 to 40 hours a week. There's a couple that have other part-time jobs on the side. I think the dignity element has been crucial to the journey, not only getting a wage but getting to decide what the wage rate is going to be. That sense of autonomy has been really important.

So, a little summary of how things have gone over the last three years...very small in our first year, a turnover of GBP£20,500 and paying ourselves almost £1 an hour, to where we have been in the past year, £92,000 and over £6 an hour. Quite a big jump in our turnover in the last year and I think that's been due to the merger with Justin's bakery and the contacts that he has had in the local community, which has affected not only the bakery turnover but also bikes and gardening work as well. I think that maybe just existing for more than a couple of years, the word finally gets out in the local community that we're around.

So, challenges as we move forward, we're constantly looking at our workload management, how can we meet demand effectively, but at the same time look after our workers? For example, we have a weekend bakery, we have a dedicated bakery team, how can we enable them to get some time off? How do we balance continuing to provide a quality service but at the same time look after our workers and avoid burnout?

In terms of team dynamics – we're a diverse bunch of people, a unique bunch of people with unique resources and the beautiful thing is getting to know each other and discovering the unique talents and gifts that we each have to contribute and learning how to harness that together as a team, but there are tensions as well, and that's all part of growing together and working together.

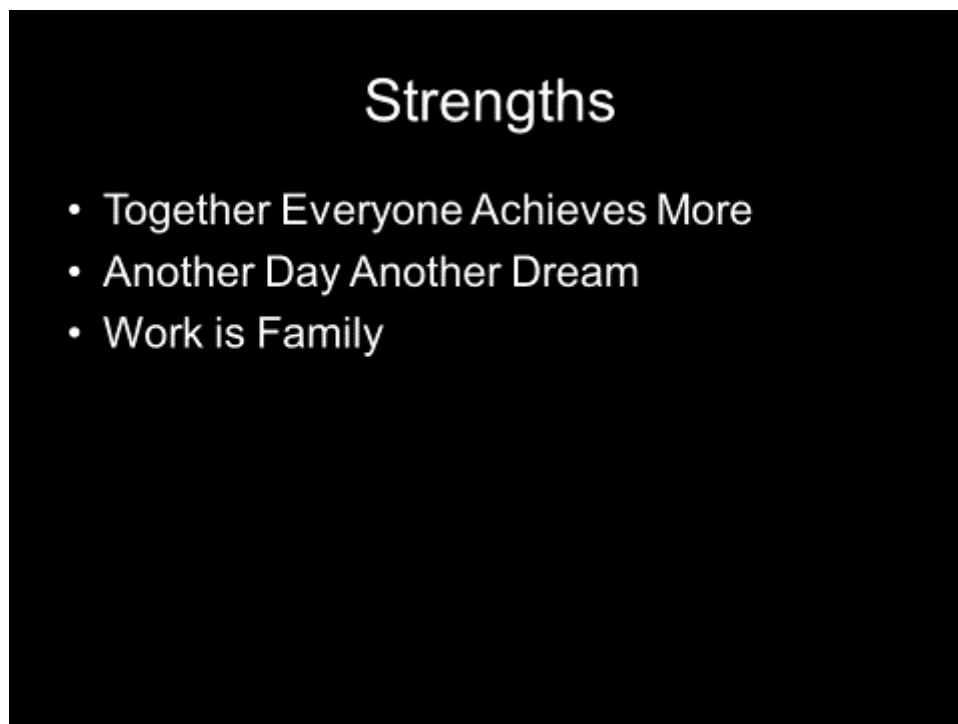
Policy and communication – again this is something that's new to us but we realise that we need to be really on top of it to make sure that communication is as clear as possible amongst the members, but also in safeguarding the quality of the service that we provide.

Voluntary supportive ventures – what I mean by that is things that we're often asked to do that we don't make any money from, that maybe charities traditionally would be funded to do and have a level of flexibility that we don't. There are lots of things that we want to support and get behind and it can be difficult to make that decision sometimes, because it's a working day that we wouldn't be getting paid for.

So, with all of those things, we're just learning to hold intention.

Just to leave you with this last slide. One of our latest members that joined us is an artist and he and another fella have been coming up with models for t-shirt designs and things...

But just to sum up the journey and the potential for worker co-operatives. We would strongly encourage anybody who's thinking about worker co-operatives as a business structure, particularly as an empowerment model and a model that gives autonomy to disempowered people in our society. This is really under utilised, I would say. That's us. Thanks very much.



## Q&A/Panel

### Michael Taft, Simel Esim, Richard Higginson joined by Cian McMahon, NUI Galway

**Tiziana O'Hara:** *We have invited Cian McMahon to join us and because you haven't heard from him yet, I would like Cian to start the panel. First of all, to describe to us your work about workers' co-operatives?*

**Cian McMahon:** *I've been doing a piece of research over the last number of years in NUI Galway, really trying to both document and analyse in a broader sense, the worker co-operative development experience in Ireland, which you might say by European standards, wasn't particularly amazing or vibrant but certainly by Irish standards, there was something important starting to happen.*

*The first workers' co-operative in Ireland, I think, was set up in 1956 and nothing really much happened until the crisis in the 1970s and the 1980s when some phoenix co-operatives, takeovers of failing businesses and conversions came into play.*

*But even by 1980, there were only four worker co-operatives in Ireland. But then the trade union movement, some Alcan trade unionists in particular, put in place the grassroots and forced, at the level of the State, a kind of all-Ireland infrastructure. There was the Workers' Unity Trust and the Workers' Union of Ireland, a kind of precursor to SIPTU; there was the Northern Ireland Co-operative Development Agency, an NGO in the north, in Derry; and there was the Co-operative Development Unit in FÁS.*

*Through this process, we ended up that by 1998, we had gone from four worker co-operatives to, I think it was, 82 with about 600 workers. Okay, by Italian standards with hundreds of thousands of workers, it's not huge, but we were starting to get somewhere.*

*There's sometimes a view, I think unfairly, in the Irish trade union movement that we tried all this co-operative stuff and workplace democracy agenda, and it didn't really work, or it failed, but what I've found talking to co-operative practitioners was that there's some really inspiring examples, like the Belfast Cleaning Society – some really inspiring examples such as the Quay Co-operative in Cork that is still there over 30 years later, a vegetarian restaurant and wholefoods outlet; the Attymon Peat co-operative in Galway, obviously producing sod turf; the Tullamore Meats Co-operative from my own town; some of the democratisation in Bord na Móna that went on for 25 years.*

*There were some failures, there were a lot of lessons to be learned as well, but I would say that there's a history there that we should be returning to, that's gone under the radar.*

*If I could just say, very quickly – one of the main things that I did take from speaking with grassroots and co-operators was the emphasis that they put on the importance on education and developing a political culture, kind of prior to the fact.*

*I think it's what Michael was saying about a democratic agenda. If we can build a democratic ethos and a co-operative ethos in our independent workers' organisations, primarily our trade unions – a trade union is essentially a co-operative, a membership-based organisation run on the basis of one member one vote – if you can't get workers joining trade unions and participating democratically in trade unions, then you're not going to get them to run their own business when you have to have all the business realities, okay? So, I think trade union education would be the thing that I would put the most emphasis on in terms of resources, even more so than the important things like changing their legal structure and providing financial and technical support. I would say imbuing Irish workers with a co-operative ethos, in response to all the challenges we're facing in society, would be the main focus.*

**Tiziana O'Hara:** *Thank you very much, Cian, and Michael, maybe you can tell us what do you think trade unions can do to support workers in co-operative development?*

**Michael Taft:** Well, do more, that's the first thing. I take Cian's point; I think Cian is correct in two ways. One, trade unions are a democratic force in the economy in the way that they represent workers and producers. There's no doubt, in terms of the Irish trade union movement, that we have experienced a lot of difficulties, a lot of challenges which we have not adequately met. Only about 15% of the private sector workforce is a member of a trade union. Only about 15% of private sector workers have collective agreements, so we're seeing a huge swathe of people who are not attached to the trade union movement and not attached to collective action in the workplace.

*I think, as Cian said, if that situation pertains, and this is the point I was making about the co-operative, it's hard to see how you are going to get people to make the jump of actually co-operating in a business when they haven't had the collective experience that the trade union movement can provide, a collective experience in the workplace. Not a lot of people can do that. I would say, in terms of making a systemic jump, it's going to be difficult.*

*I think that certainly in education programmes, – and that's why, for instance, SIPTU has sponsored this (event), because we do recognise there's not only a gap there, that there's something that the trade union movement is missing – so we started engaging in this process. We do have an education programme through SIPTU College.*

*Hopefully, there will be discussions on that so that we can do two things. One, we can convince more and more people to join the trade union movement and convince more and more people to take the democratic agenda seriously, and within that, the co-operative movement should be seen to be part... not part of because I don't want to give the idea that the trade union movement is going to take over or dictate to the co-operative moment, that's not at all the case, but that they're partners in that process.*

*But yes, we have a lot of dirt work to do and we have a lot of our own internal discussions and we need to discuss this with people on the ground in the co-operative movement.*

**Tiziana O'Hara:** I'm also interested in the international view. Maybe, Simel could tell us about the experience from other parts of the globe? If we can have an international view of how important education is and how important is this kind of connection between trade unions and workers' co-operative movements, and then we can open up to others?

**Simel Esim:** I think there is some really interesting experiences, for instance from Quebec, where the trade union has set up these organisations like yours, Co-operative Alternatives, Tiziana, that is helping transition to worker ownership, worker co-operatives, whether it's for cases of bankruptcy, but also it's not just about education, but also about all these other types of services.

*I think the unions looking into some of these emerging practices and providing them with some of the support, that's also important. Sometimes they may not like everything they see, but it's important, especially in the platform economy, etc., or so-called freelance work – self-employed but freelance work – how these emerging practices – worker co-op, user co-op practices – are coming up and engaging with that to help influence it but also to support moving it to the next level.*

**Tiziana O'Hara:** Thank you very much. And now, any questions from the audience?

**Questioner 1:** Just thinking about the things you've already talked about. One of the problems, I think, the suspicions that come from the union side is when worker co-ops are starting out, sweat-equity worker co-ops like Loveworks where you're starting out from nothing, because the point is that workers have no capital, they have no working capital, they're dependent on wages. Nevertheless, they've put in years of work. But during that period, they're not paying themselves even a legal minimum wage. So, unions go: One, these guys are not making wages. Two, how are we going to make money from these guys? How are we going to bring them into membership? Because the cost of recruiting them into membership is higher than they're ever going to be able to afford, the subscription.



And frankly, that is the attitude, in the UK certainly, the business unions cannot figure out a decent strategy for recruiting lower-paid and precarious workers. So, there's a question, I think, from the union side... I mean, there are progressive examples in the UK like BECTU who have made it their business to recruit low-paid workers who are working in bars and cinemas, but that's a risk for them. And then, on the other side, with the likes of Loveworks, have you had people coming up to you and going, 'You can't be part of the workers' movement because you're not paying yourself properly?' That kind of attitude. I'd be interested to hear what your experience has been on that.

**Questioner 2:** I'm a post-primary school teacher and I'm very interested in the fact that educational reform is being driven by the OECD and business interests and I'm here today because I want to try and find is there any way of introducing something educational into primary or post-primary education? I, myself, I'm going to be introducing a Transition Year (TY) module next year on the working world. I think it's important that we speak about engagement with workers in education, but I think there needs to be a movement into education<sup>20</sup>, and I'd be interested to hear what people had to say about that. Secondary school education is being hijacked by business interests and, maybe there is something out there, but I think we need to be more aware as educators, myself, what we can do to try and combat the OECD neoliberal agenda. Thanks.

**Tiziana O'Hara:** What do you teach?

**Questioner 2:** I teach English and History but I'm trying to .... include the issue of workers' rights. A lot of the kids in our school will leave, in the area I teach in, and they'll enter into precarious employment. You know, it's all about entrepreneurial skills and going out there.

**Tiziana O'Hara:** Point made. We'll bring it back to the panel. So, Michael, do you want to take the first question about the trade union and sweat equity?

**Michael Taft:** No, that's a fair point in terms of how does the trade union movement react to below-minimum wages. The fact is the trade union movement spends a lot of time supporting low-paid employers in the Workplace Relations Commission or in the workplace. I mean, certainly SIPTU is devoting more resources to lower-paid workers, just to clarify that. In fact, one of my main portions of work is with childcare workers, who are one of the lowest of the low-paid, by the way, in the State. We have an organisation drive. I think there is a suspicion of that, there is this little doubt.

Now, obviously, if it's a starting-off process, which one can understand, where you have very low wages, that wouldn't be an issue in and of itself. But what happens, to give you an example in the construction sector especially but now spreading out to all sorts of sectors, is what we call bogus self-employment, whereby people who should be employees, should be paid the going rate, and especially in the construction sector the SEO rate, which is much higher than the minimum wage, are being forced to be something that they're not and their income falls as a result. They're forced to become effectively self-employed to compete with each other.

Now, again, I don't have an answer for that but you can imagine, let's say, it doesn't arise because the co-operative movement is so small. But what would happen if you had co-operatives, but they continually paid themselves below the minimum wage and therefore were competing against workers who the employers were paying a proper wage. And that would undermine properly paid employment.

So, I think the answer actually has to be for trade unions and the co-operative movement to sit down and see about how the state can become more involved in giving assistance to co-operatives in these early stages, when they most need it. Because that, I would imagine, I don't have direct experience of starting a worker co-operative, but I can only imagine, just like any other business, the first year or two or three are really difficult and that's where any kind of enterprise will succeed or not, or usually they fail.

So that would be the answer to that; I don't know if that does answer the issue.

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<sup>20</sup> The SCSi is currently working on a project that aims to develop resources on co-operatives for young people.

**Tiziana O'Hara:** *There was a second part of that question, as well, about the membership fees.*

**Richard Higginson:** *We haven't been approached by any trade unions and I hadn't, before this conference, even perceived that potential partnership would be mutually advantageous. We will definitely look into that. As I understand it, the unions in the north are a little different. But there are other supportive agencies, like Co-ops UK, that have been looking for annual fees and things like that. We just haven't been in a position to prioritise that level of support.*

*I think we also have felt very supported by Co-operative Alternatives in the initial stages. That has given us what we thought we needed. But I suppose... yes, we are self-employed. The initial years there was a safety net of state benefits for the workers.*

*It certainly wasn't a coercive thing, but the vision was creating a culture that enabled the workers to make that choice for themselves and what I thought was remarkable was that, even though in one context it looks quite precarious for workers to be working under the minimum wage, it was a journey of empowerment that made them make that choice themselves and to agree. You know what, being paid less than the minimum wage is a more dignified quality of life than state benefits.*

**Tiziana O'Hara:** *Very good... With that, we can take the second question? The second question was very much about how do we react to this culture of entrepreneurship that is dominant in our educational system? So, in the mainstream system. Do we have any examples? Do we teach our own children, the next generation, about co-operatives, maybe?*

**Simel Esim:** *I remember first grade in elementary school, I was a member of a co-op club. Then in university, the business club, which was an extracurricular activity, had as a part of its learning programme, a co-operative, how do you set up a co-operative.*

*This is just from my own education, but we do have now, out there, including from the ILO, open access training packages. There is one thing called Think Co-op. Unions can use it, community agencies can use it. It's six hours and it's targeting youth, young graduates, rural youth, etc. People are picking it up and using it. So, there are tools out there that can be used.*

*I think education, though, is one thing and this accompaniment is very important. Whether this is through a hub, like in the case of the New York Worker Co-operative Network, there are these community agencies that will start with the homecare workers and continue for three years, whether it's about legal advice or challenges with governance.*

*So, I think, going back to this ecosystem thing, education is only one piece of the puzzle. I know I'm not answering your question, but this accompaniment, support institution, and this financing that you talked about, Sion, why can't we have, at that start-up phase for worker co-operatives like Loveworks, the alternative financing, innovative financing schemes that can give them the relief and breathing room.*

*There are those out there, and co-op financing, credit unions and financial co-operatives, have to also be called to task on this, no? What are they doing for these emerging co-operatives?*

**Michael Taft:** *Just very briefly, you're absolutely right. We've got this nonsense and it's perpetuated by... it's the common sense that I talked about, that somehow we have to rely on capital, we have to rely on boards and directors in some faraway place, on the staff of companies we never heard of for our right to work. You're absolutely correct.*

*However, when you go back to the workplace and when you see the experience and hear of the experience of workers even in traditional firms, never mind in starting up co-operatives, you find that it's the workers who know the intimate details of the workplace. They're the first ones to know when something goes wrong. They're the first ones to hear the complaint by the customer. They're the first ones to know the production process. And they're usually the first ones that have the solutions.*

*But they're not involved in that participation. They're not integrated in the decision-making process. And in many cases workers are reluctant to give over those ideas to the employers because they don't trust the employers. Quite simply, they don't trust the employers who might not use the idea against their better interests.*

*But here's the point of that struggle over ideas. We are all entrepreneurs, we are all creators of wealth, potentially. In fact, I think one of the lines that was up on the screen... 'We all achieve more together'. We all achieve more together – that's actually a trade union thing. That's the whole point of trade unions. We achieve more together. That's what co-operatives can do. That's what a new kind of business model can do. So, that's about challenging the way we do business, because even in a socialist society we're going to still need companies and enterprises. To produce goods and services. We'll still buy and sell them on the market. But it's a different way of doing things. So that's how we challenge it.*

**Questioner 3:** *Hello. I'm here today from the Irish Housing Network, and a group called Maynooth Housing Action, we're kind of an all-Ireland network of housing activists. At the moment, we're in the early stages of setting up a tenants' union and we're looking to the co-operative model for that. I think these kinds of ideas resonate, with the links between unions and co-operatives, and when we look at housing in certain ways we don't view the social reproduction occurring at home. The work tenants perform in rented accommodation to maintain it is a key area of reform there. I'm just wondering, before you talked about it not being recognised as work, per se, to be renting in the private sector. Housework wouldn't be recognised as performed work, and how you take co-operative models intersecting with the struggle for tenants to collectively organise and fight for their rights, and barriers that way. I've explored various options of co-operatives to see the strongest links between unions actively organising. I'd be interested to hear what the floor has to say.*

**Questioner 4:** *Hello, my name is Rhona. I work in Leinster House and recently we drafted a bill to modernise some of the legislation and I just want to talk a little bit about the framework because it's completely outdated. Most of you will know that it was written in 1893. We suggested some very small changes that would modernise it, in terms of online registration and so on, and the actual foundation, how we establish co-operatives, and we suggested that we reduce the membership from seven down to three. Now, the response that we got from the Irish Co-operative Organisation Society (ICOS), surprisingly, is that they disagreed with that proposal and thought that it should remain at seven, and I just wonder what the attitude of the speakers is to that; that particular proposal about membership.*

**Questioner 5:** *I'm a Polish interpreter and three years ago, me and my colleagues started to organise ourselves into a trade union, a communication workers' union, and we looked at changes in the market, changes in the employment.... and the ban of the zero-hours contract. From our experience, it seems that this new law was widely ignored by the agencies. We have approached a number of them.... We don't get any feedback, sometimes we get a reply that we are freelance interpreters and for that reason we are not entitled to benefits. I'm just wondering if the unions have any plans to monitor the interpretation of this new law and if that's so, how do you predict the changes will affect the employment sector?*

**Tiziana O'Hara:** *Can we take some of these questions? We can take it from Rhoda that the (proposed) change in legislation brings down the membership from seven to three, but there has been some opposition to that. With that provision in the Northern Ireland legislation, the Industrial & Provident 1969 NI Act, it is much easier to develop new co-operatives. The easier the tools and instruments we can create for co-operative legislation and setting up, the better it would be for the movement in general. Can we have, maybe, an international view? What is the international view when you set up a co-operative?*

**Simel Esim:** *Yes, the easier the better. Seven does seem, I don't know the context very well in Ireland, but seven seems excessive and when you do go down to three with the law it does create new co-operatives but the change of law is not enough, it needs to be accompanied – I feel like a broken record but the financing options, the supporting institutional environment are key. So, you can change the law but if there is not that conducive environment and institutions and the financing in place for worker co-ops to flourish, then they may set up, but struggle.*

**Tiziana O'Hara:** And then, the other question was about employment and the change in employment and zero-hour contracts and what the trade union is thinking about that.

**Michael Taft:** Well, we campaigned for a long time for measures to reduce precariousness in the workplace and this (law) goes some way, but it doesn't go anywhere near as far as we want to go, but it is very positive steps to go forward. Now, there's two primary aims of this. One, we don't really have zero-hour contracts in the Republic but what we do have is 'if and when' contracts, which we don't know how many are out there, but it gives more rights to people on 'if and when' contracts.....

Now that is just for employees and, let's also be honest with ourselves, we can monitor that. We can ensure that those rights are enforced in places where we're organised, in places where the members are trade union members, where there's a shop steward, where people have an organisation they can go to. Or, employed workplaces where it may not be organised but there are people who are members of unions and, in some cases, people have to be secret members of unions because if the employer found out that would be goodbye to their job.

I know you're not supposed to victimise members of trade unions inside the workplace but there is often more than one reason to get rid of somebody. But there are secret members and they will find the information, how effectively they will do that, but the fact is the best guarantee all of those rights is to be in a trade union because otherwise, if you're not attached to a trade union, either directly as a member or in an organised workplace as a member who can access the information, you have to then do it yourself. You have to confront the employer yourself.

In most places people won't do that. In terms of your own situation, you're a translator. This is one of those areas where you cannot organise, you cannot legally organise yourself because you're considered self-employed. But the trade union movement was able to get movement on that in terms of other types of employment that were previously not found, in terms of the creative sector. So, that's something that translators themselves... and I know that English language teachers have been organised. Now, I know they are employees but they're not a million miles away from translators in terms of that. So, I do think that if you are looking down that road, you should contact one of the unions. Don't contact SIPTU, of course, but whatever you do, contact a union, because there may be different routes into organisation or representation, even at a limited level, because there's no doubt that translators are at the mercy of the companies they work for and have very few rights.

**Tiziana O'Hara:** The final question was, if I understand it properly, it was a crossover between the different types of co-operative and housing co-operative or a tenants' co-operative with a workers' co-operative and the connection between the two. I think Loveworks can give us some insight because that's their next project, maybe? Can Richard and Ryan?

**Richard Higginson:** Well, we haven't pursued it in great detail. I think, from what I understand of the context, it's a great idea. I think there's a great need for that, much more so in the south, but I don't really feel terribly qualified to answer your question, but the information is out there. Tiziana will probably know more than me.

**Tiziana O'Hara:** What I meant by that is, you're looking now for accommodation for the workers. It's the second need. The first need that you addressed was the lack of employment, or proper employment. The second barrier that you wanted to overcome was finding good accommodation. Is that the case?

**Richard Higginson:** Yeah...the ideal would be co-operative ownership of an asset. At the moment, it's really just co-operating with people, including landlords that are accommodating for the kind of workforce that we have.

**Tiziana O'Hara:** If I may say so, even historically, if you think about the Rochdale Pioneers' co-operative, I recently looked at the Rochdale constitution and the Rochdale constitution actually mentioned that housing for workers was part of the actual strategic aim of the Rochdale Pioneers' co-operative<sup>21</sup>. It's interesting, isn't it? Going back a century almost.

<sup>21</sup> <https://www.co-operativeheritage.coop/>

**Questioner 6:** *Hi, my name's Des. I've had an association with the Dublin Food Co-op going back to 1979, which was actually before it was founded...and in various campaigns, I'm also associated with a small co-op called Printwell, which was a part of the Dublin Resource Centre, which was a focal home of co-operative enterprises in Temple Bar, which got really smashed under the property values in the redevelopment of Temple Bar.*

*The axing of the Dublin Resource Centre was a very significant impediment to the development of any kind of co-operative enterprise in the city and maybe that's one to reflect on, because no workers' co-op is going to capitalise enough to develop another resource centre for co-ops. Some people have asked that to happen, but how can they do that? And it almost certainly won't be the credit union because the credit unions have been very surprising, in some ways, over the last 40 years in their lack of real material support to co-operatives. There's been nominal support, some funding for this conference here today we're having, but since the credit union was restructured in the late 1970s, it hasn't really been a progressive force in that way, it hasn't been an ally of co-operative business, unfortunately.*

*But I really want to just remember someone at this conference today because, it's April 2019, we're 65 years out from a lecture that was given in a printers' trade union hall just across the green here, 35 Lower Gardiner Street in December 1953, which gave rise to the creation of the Dublin Central Co-operative Society... and who is as important, more important really, to modern co-operative thinking in Ireland than Horace Plunkett was a century ago, was a man called Séamus Mac Eoin and it's a testament to our co-operative education in the sector that Mac Eoin is almost entirely forgotten outside of the credit union movement. I mean, in the credit union movement, he's remembered as a central figure below Nora Herlihy, .... but Mc Eoin introduced the concept, you know what I mean?*

*So, our education on co-operatives is poor and something we need to address going forward. But finally I wanted, taking up on Rhoda's point, I want to take the opportunity to propose that this conference could call upon the Irish Co-operative Organisation Society in fulfilling its mandate to serve and promote commercial co-operative businesses and enterprises, to support the reform of legislation by lowering the number of members needed to create co-operatives from seven to three. Thank you.*

**Questioner 7:** *Hi everyone, my name's Tina, I'm a City Councillor here in Dublin. I'm also a member of the Dublin Food Co-op and I want to say thank you to all speakers for your very informative and very inspiring contributions this morning. My question is mostly for Simel. You mentioned the role that local government can play and I'm just curious as to what, and I mean we could probably have a conference just on that, but what local government can contribute to the advancement of the co-operative sector?*

**Questioner 8:** *Thanks very much. A possibly naïve question, but I'm going to ask anyway. I'm constantly trying to tell people, when they switch on their mainstream media, you're basically just watching the capitalism show, you're watching the promotion of capitalism constantly, all day and all night. It's just so irritating.*

*I wonder if, in terms of empowering people, involving people in economic democracy, the trade unions could commission a series, programmes that would focus each week on a different co-op and explain how it got started, how it came up. Now, you might not be able to sell it on the mainstream media but you would be able to sell it on social media, all that kind of stuff, and get people to share it... and another aspect of that is that you constantly have capitalists coming on the radio, particularly, complaining whenever anyone gets anything. The refugees last Christmas got a bonus, the ones in direct provision, of €16 and capitalists called up to complain that they worked their arse off for 60 hours a week and no one gives them €16. I'd like to see somebody contact radio stations like that and feature as part of these shows..... this socialisation of that concept, that's the only way that business could be done...*

**Tiziana O'Hara:** *Okay. Can we start with the City Council roles? Can we say a few words on what the city council can do to help workers' co-operatives?*

**Simel Esim:** *Procurement. Procurement quotas, for inviting worker co-operatives to bid for local city works. Of course, the legal advisory services having a centre, a desk, a reference for people who can find out more about how to set it up. Referral to financial services, having a financial support line, and education. I have seen, for instance, in my hometown, in Izmir how the social democratic local government was essential to the revitalisation of*

co-operatives, especially among unemployed youth. Having these co-operatives as partners in delivering programmes, including co-op education programmes.

With informal economy worker co-operatives, we see time and time again how critical the local government was to making or breaking these co-operatives, like with the waste picker co-operatives in Bogotá, Medellín, Belo Horizonte, in Latin America, their integration to the waste management system as dignified workers with occupational safety and health. This is a choice, whether this goes to big capital, the contracts, at the expense of these informal workers. These choices are essential. In childcare services, encouraging, supporting, incentivising co-operatives for wages of workers, care workers' co-operatives can come and bid. In Italy, care co-operatives are an essential partner to local government in the provision of childcare services, but also in integration of people with disabilities into the labour market. There are a lot of good examples out there – Barcelona – if you wanted to look around, I think you'll find a lot inspiring, and I'm happy to share some of those with you if you like.

**Tiziana O'Hara:** Not very far away, in Northern Ireland, we are actually starting two programmes in two council areas, Newry and Mourne...exactly what Simel has just described. We want local government involved in supporting and trusting co-operatives to help them to develop what we call an inclusive economy, democratic but also inclusive. But who are the players in that argument? So, keep in touch.

We will publish our findings and we hope that that procurement policy, those little steps that local government can take to ensure collaboration with the sector outside the council happen. Cian, if you want to come in with any of the other questions, even about how do we imbed the message of co-operatives that has to react to the dominant message?

**Cian McMahon:** So, yeah, if I could come in on that educational question and I might say a bit on the legislation as well but, again, you don't have to totally reinvent the wheel. In the 1980s, here in Ireland, the Co-operative Development Unit, in alliance with the Northern Ireland Co-operative Development Agency developed a model where they went into primary schools, and they get the kids young and set them up into their own little classroom businesses, basically, that they operate on a democratic basis, and introduce them to (co-operatives in) Mondragón and Emilia Romagna so you're creating at a young age an awareness and an actual practical experience of co-operativism.

Another example would be Trademark Belfast and the Belfast Cleaning Society there came out of a trade union education programme on the sectarian divide, women's groups who were doing anti-racism, political economy, history, everything, and they learnt an awareness of co-operatives. One of the worker members in Belfast Cleaning Society told me how she had studied her A-levels in Economics and she'd learned all about supply and demand and entrepreneurship, but she didn't want to be an entrepreneur in that sense, capitalism. She'd never heard the word co-operative once.

So, I think, the current administration probably aren't going to reform our education system on a co-operative basis. There's things that the labour movement can do to engage young people. Take, for example, Bernadette Devlin in her book, she talks about how her family was run on a co-operative basis, a little co-operative society, her father, a trade unionist, brought these ideas back into the home. So, I think it's up to the organisations of trade unionism to push this and we can get it into schools, and we can get it into the home, as well, to create that awareness.

If I could also just make a point on the legislation. Again, just going on the past experience, part of the big problem that the Workers' Unity Trust come up against with the need for seven members through the Industrial and Providence Societies Act..., what they were doing at the start was that they were bringing in ghost members. Maybe you had two or three or four people who want to set up a co-operative so you bring in the husband or wife, or whoever, and they will be members of the co-operative but not actually working in the co-operative and there were some examples of very successful co-operatives where it came to a vote and it was decided to demutualise and sell off the thing and the majority was coming from the non-worker members. This is obviously a big problem.

*I can't understand for the life of me why we can't reduce it to three members; I don't understand what the problem is. It just makes it easier to set up worker co-operatives. But what they did do at this time was they actually moved over to different legislation and set up worker co-operatives through the Companies Act. They managed to write their memoranda of association and their constitutions, and all the rest, to embed co-operative corporate governance of the business and it also allowed some flexibility for some non-preferential shares and some investment, non-voting investment, into the co-operative, so it allowed for a financial instrument.*

*The point being that, if you're inventive enough, there's ways and means with the current legislation and infrastructure to get around some of these problems. So, maybe that model might be worth revisiting. That was set up in the Workers' Unity Trust and it was taken on by the Co-operative Development Unit and FÁS and all sorts of accountants.... as well, so that's still out there, okay?*

**Questioner 9:** *Darragh Walsh from ICOS. It's interesting to hear the different thoughts on the seven member vs three member debate. Obviously, seven members has been in the legislation. We've seen it as a way of making sure that it's a genuine co-op, that it has those numbers. While it might be seen as an arbitrary limit, our fear was that some people... might only be interested in the good PR of the co-op, might be setting up with that smaller number. However, we're definitely open to hearing an alternative view on that and hearing more information on that, open to discussing it. I've been listening intently to what ye've been saying here.*

**Tiziana O'Hara:** *Thank you very much. You are very brave. You have heard quite a lot of criticism and I hope that you take consideration of what the audience has been saying and open up, maybe, a conversation to lower the barrier for creating co-operatives.*

*And that's not only about the number of members, it can be the registration fees, it can be also about the initial finance. We have experimented in the north with community shares, so trying to raise capital through the membership, to open up the equity within a co-operative by doing so, and I think that this should be the direction towards which we should travel even in the south if we want to create a co-operative space where they are supported and definitely increase the number of them.*

*Okay, we have another question. I'm always happy to have another. A question and then we close, because people might be getting tired and lunch is almost ready.*

**Questioner 10:** *I won't hold it up. Tom Walsh is my name and I'm with the Irish Congress of Trade Unions. Back in the 1980s, I was involved in a co-operative network, mainly involved with feeding workers at that time. Obviously, things have improved greatly since. But just on the issue of numbers. I think we should reduce barriers to genuine co-ops but there should also be a campaign to give incentives to people to work in a co-operative venture and that would mean looking at procurement law, looking at supports and that. There's always a danger that others, without the co-operative ideal, in other words who would normally be in economic partnerships in certain professions, would seek to take advantage and style themselves as co-operatives on a legal basis.*

*Certainly, if a group is clearly committed to the co-operative ideal, even though they're small in number, their ideal should be to expand and to have each new grouped into the co-operative, to be a full member; you'd have the danger of people setting up a co-operative with having non-worker members. It is not the co-operative ideal. So, that's just a caution.*

*Finally, I'll just say that historically, most of the co-operative movements that developed around Europe had a political basis that usually was a social democratic movement... that favoured co-operatives. The Marxist or Communist movements weren't so enthusiastic about working through the market, but that's been lost. It lives on to some degree in the trade union movement but it's pretty peripheral. I don't think there are many trade union officials attending here in their normal capacity. But it should be revitalised. And perhaps in the political movement of those on the left should be pushing the idea of co-operative working as an alternative to the commercial enterprise, as something that would help to revitalise a struggling social democratic movement.*

**Tiziana O'Hara:** *Thank you very much for your consideration. The lunch is outside. Let's continue this discussion over lunch.*

## Lessons from elsewhere/supports

### Chair: Fiona Dunkin, SCSi

Welcome back everybody. For the second half of today, we're going to focus on what we can learn from elsewhere and the challenges that are currently facing worker co-operatives in Ireland. I know we've discussed that already but we're going to look at it in more depth this afternoon. So, we'll be joined by Siôn Whellens. Siôn is Vice President of CECOP, the European network for co-operatives active in industry and services – and Bridget Carroll, Treasurer of the Society for Co-operative Studies in Ireland and researcher and lecturer with the UCC Centre for Co-operative Studies. So I'd like to welcome Siôn Whellens to the stage.

## Worker co-op organising in the UK: future perspectives

### Siôn Whellens, Vice-President CECOP/Co-operative advisor

Hello, thank you very much. Calvert's is my primary co-op, I'm a printer and graphic designer. I've worked in worker co-operatives since I was 23. Principle Six is my *nom-de-guerre* as, principally, a worker co-op organiser and I work mainly in the London area, but also around the UK.

I'm a European Vice President of CECOP. CECOP has seven Vice Presidents. And I'm trying to persuade them to make me Vice President for the North-western Isles because at the moment they say that I'm Vice President for the British Isles, which apparently includes Ireland, so we've got some internal change to make there. But one of my jobs is to try to find an Irish member for CECOP, so we need a federation for co-operatives in industry and services in Ireland that confederates CECOP and gives it a route to lobbying through to the EU, which will remain important to you, and to us as well because whatever happens with Brexit...

Anyway, that was a fantastic session this morning. I'm going to make some general points with some description of the nature of the worker co-op sector in the UK and the types of worker co-operatives that we have. Then I'll talk a bit about how we're organising and some of the specific organising initiatives that are going on at the moment, in case they're of use to you.

In terms of a brief history of worker co-operation in the UK since 1844, initially we saw the establishment of 'productive societies', which were often sponsored by retail societies, with differing degrees of success. Productive societies suffered in the late 19<sup>th</sup> century as retail societies established wholly-owned manufactories without worker representation in their governance. Notable strongholds of worker co-operation were the garment making, shoemaking and printing industries in the east Midlands, particularly around Northampton.

The Rochdale Pioneers certainly did not confine their ambitions to retailing. Their third 'Object' explicitly aimed at mitigating poor employment conditions during the 'Hungry 40s', a time of depression in the textile industry and mass unemployment:

*"To commence the manufacture of such objects as the Society may determine upon, for the employment of such members as may be without employment, or who may be suffering in consequence of repeated reductions in their wages." (Rochdale Pioneer Objects, 1844)*

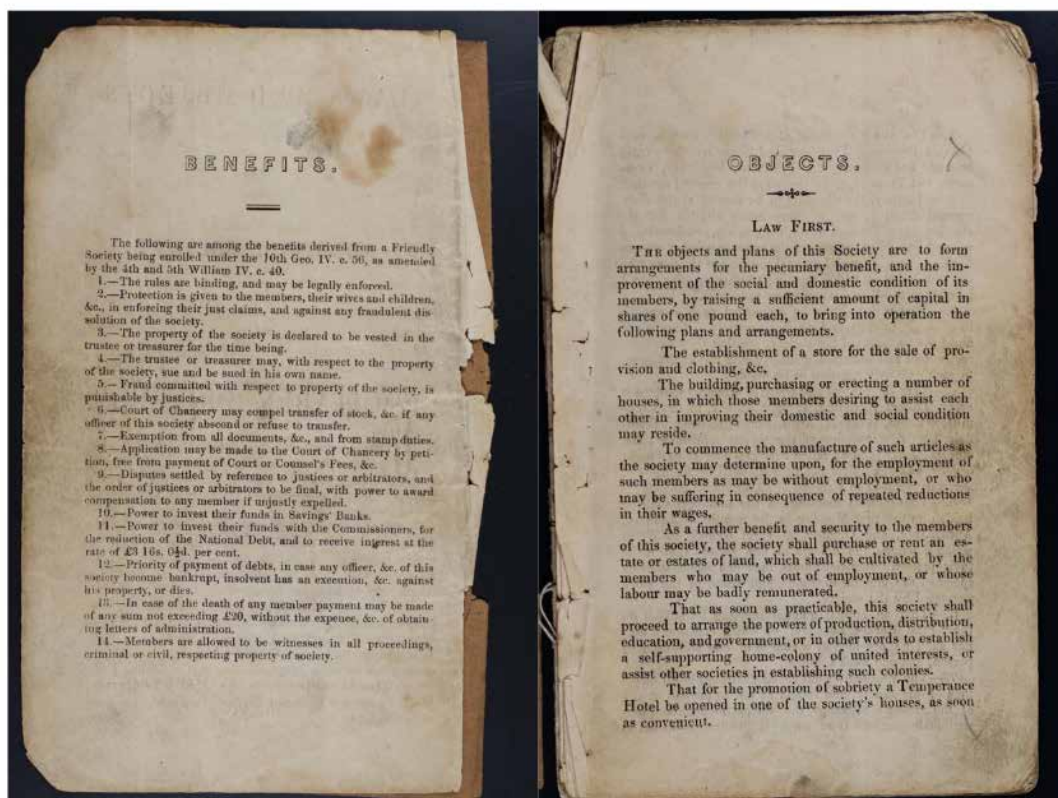


It is interesting to compare this with a contemporary formulation from CICOPA. CICOPA is the global federation of industrial and service co-operatives, embracing worker, artisan (federated producer) co-ops and co-ops providing services of public interest such as health and social care. Its 2005 World Declaration on Worker Co-ops set out an ambitious definition of worker co-ops, their characteristics and rules of internal functioning:

*"They have the objective of creating and maintaining sustainable jobs and generating wealth, in order to improve the quality of life of the worker members, dignify human work, allow workers' democratic self-management and promote community and local development."* (World Declaration on Worker Cooperatives, 2005).

On the basis of the definition, values and principles enshrined in the International Co-operative Alliance Statement on the Cooperative Identity (Manchester, 1995), and incorporated in ILO Recommendation 193 / 2002 on the Promotion of Co-operatives, worker co-operatives contain the following basic characters:

1. They have the objective of creating and maintaining sustainable jobs and generating wealth, in order to improve the quality of life of the worker-members, dignify human work, allow workers' democratic self-management and promote community and local development.
2. The free and voluntary membership of their members, in order to contribute with their personal work and economic resources, is conditioned by the existence of workplaces.
3. As a general rule, work shall be carried out by the members. This implies that the majority of the workers in a given worker co-operative enterprise are members and vice versa.
4. The worker-members' relation with their co-operative shall be considered as different to that of conventional wage-based labour and to that of autonomous individual work.
5. Their internal regulation is formally defined by regimes that are democratically agreed upon and accepted by the worker-members.
6. They shall be autonomous and independent, before the State and third parties, in their labour relations and management, and in the usage and management of the means of production.



The World Declaration was careful only to recognise employment as a basis of worker co-operation. In recent years, with the rise of self-employment (fake or otherwise) and 'non-standard' modes of work, it is recognised that the definition of the member relationship, and the relationship between the worker and the enterprise in worker co-ops, will need to be revisited.

The Rochdale Pioneers had politically and socially revolutionary ambitions; their fifth object was (as soon as is reasonably practicable) to 'proceed to arrange the powers of production, distribution, education and government'. Arguably, the UK's worker co-operatives – particularly in their 'second wave' after 1970 – have maintained this spirit; former CECOP General Secretary Bruno Roelants has observed that British worker co-ops are the most radical in Europe.

In truth, the size of the worker co-op cohort in the UK is small; in 1980 it is estimated that there were around 4,000 worker co-ops in the UK, reducing to around 400 by the year 2000 after a decade and a half of reaction and the withdrawal of local and national government support for co-op development. The figure has remained level over the last 20 years however. The Industrial and Common Ownership Movement (ICOM), the independent apex for worker co-ops in the UK, was founded in 1974 and merged into the much larger Co-operative Union (representing consumer coops) in 2000, and Co-operatives UK now has around 130 worker co-ops in membership – a few large ones and a long tail of small and tiny ones. The 'size' of the worker co-op sector increases if we include John Lewis Partnership in the stats, although John Lewis is not recognisably a seven principles co-op. The picture is further confused by the growth of firms in full or partial employee ownership through shares, where ownership may be held by a trustee for employee benefit, often non-democratic and certainly not espousing radical approaches to management. There are four main types of worker co-operatives in the UK.

#### Four types of worker co-operatives in the UK

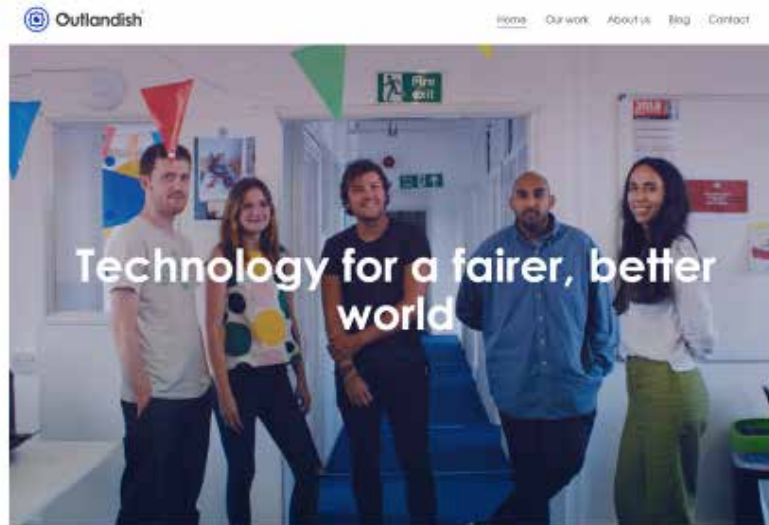
- **'New wave' worker co-ops after 1970:** 'New Wave' co-ops originated in the needs and philosophy of new social and political movements such as ecology, second wave feminism, anti-racist and anti-imperialist campaigns, the gay and sexual liberation movements; as well as the New Left and anarchist currents. Often involved in typesetting, poster making and community publishing, pedagogical projects, whole foods and land projects.

SUMA is an example of the 'new wave' co-ops. It is the UK's largest true worker co-op, with common ownership, flat pay and relatively flat management structure. It has 200 employees (the majority of whom are members) and approximately £55m turnover. It started as a small scale business in Leeds, mainly meeting the needs of wholefood retail shops (often themselves worker co-ops). It is now supplying high street multiples (including the Co-op, at long last), and a growing export market including the Middle East.

- **Philanthropic and 'trust'-based employee ownerships:** the main model being transfer of ownership by a private individual or family into a trust for the benefit of the employees, such as John Lewis; and often in manufacturing industries, such as Scott Bader (chemicals) and Tullis Russell (papermaking), and Tiptree Preserves.
- **Mixed consortia of employees and self-employed workers:** a relatively new form associated with the rise of non-standard employment since 2000 and notable in knowledge-based industries such as digital and design.

For example, Outlandish is a successful web development co-op with a core (employed) membership and concentric circles of prospective members, freelance associates and supporters which converted from a partnership in 2014. It sponsored CoTech, a 3 year old network of around 40 UK digital industries co-ops, and now an important co-op development hub with the launch of Space 4, a co-op events and shared workspace in North London sponsored by the local authority, Islington.

## Mixed self-employed worker 'consortia': Outlandish



- **Mixed worker-community co-ops/mixed membership or 'multi stakeholder'**: balancing the needs and governance rights of different stakeholder groups, usually users of the co-op's assets or services and workers, sometimes also investors. Many also identify as 'social enterprises'. Many use the **Cooperative Society** or **Community Benefit Society** legal form. Special type of **community shares** equity. An example is Kitty's Launderette, a high end, ecological, low cost launderette, arts and social space in Everton, North Liverpool, launched in 2019. Members are workers and service users but promotes itself as a 'worker-led community co-op' (also as a social enterprise).

A word on 'community co-ops', where essentially the members are service users and investors. In some ways, this is the consumer co-op movement reinventing itself for the 21<sup>st</sup> century. Examples include the Ivy House pub and community space in London, FC United of Manchester a fan-owned supporters' club, Brighton Energy (a solar co-op), Hastings Pier and Fordhall Organic Farm.

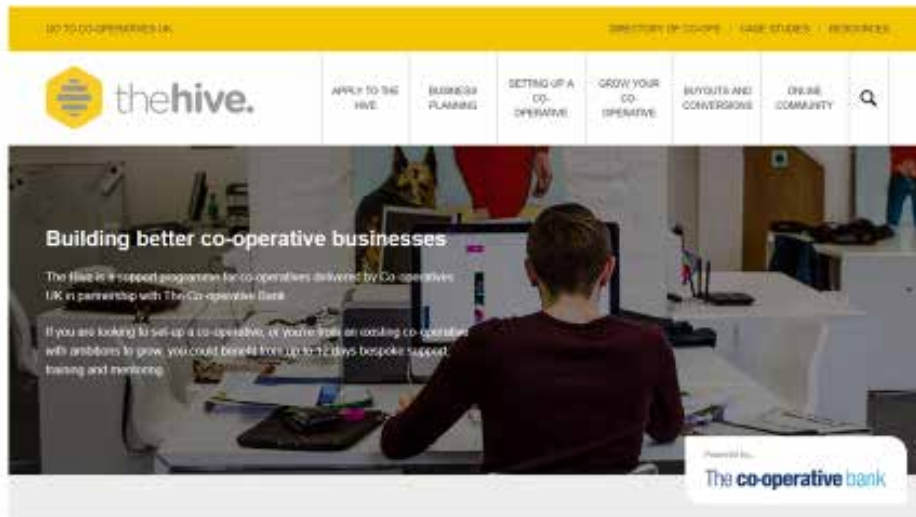
### Development supports for worker co-operatives in the UK

The Hive is Co-operatives UK's development programme for new and existing co-ops, sponsored to the tune of around £500,000 per year by the Co-operative Bank. It provides thinly-spread one-to-one advice, mentoring matchups and training events. Currently it is trying to focus its resources on 'winners' such as digital platform co-ops (much talk but few working examples so far; perhaps needs to think more in terms of 'co-ops that work by having brilliant websites'); social care co-ops and co-ops of self-employed workers.

Solidfund is a worker co-operative solidarity fund which aims to help develop a strong, growing and self-reliant network of successful workers' cooperatives by creating a permanent common fund, paid for by members. The Fund supports education and training for worker co-operators, the independence of worker co-operatives and promotes worker co-op organisation and culture.

To conclude, co-operatives by their nature are people-focused not profit-focused businesses, but by their nature they also rely on people coming together. This is hard not least because public awareness is really low.

If we want to develop sustainable local economies then we need our political leaders and local authorities to help raise awareness within their community that there is another way, and foster and support these co-operatives when they start. Thank you.



<https://www.uk.coop/the-hive/>



<https://solidfund.coop/>

## Worker Co-operative Development: Challenges and Supports

### Bridget Carroll, Centre for Co-operative Studies, UCC

This presentation will briefly address the prevalence of worker co-operatives in Ireland and elsewhere and their performance; some of the challenges facing worker co-operative development; and the support infrastructure that has been developed elsewhere and that might be of use to us here in Ireland.

But first, let's celebrate some of the worker co-operatives that we have in Ireland today. For example, the long-established Quay Co-op in Cork city. It has been in existence since the 1980's. The members run a very successful vegetarian restaurant and bakery along with three wholefood shops.

We also have Bridge Street Co-op in Kenmare which is in the same line of business as the Quay Co-op. And Castaways which is one of a number of actors' agencies and an example of a shared services/professional services co-operative. These and other worker co-operatives including those in Northern Ireland have been working away quietly. But what about the overall picture in terms of numbers?

We do not have very robust figures on the number of worker co-operatives in Ireland today. This arises for a number of reasons. Despite an undertaking at one point to categorise and record worker co-operatives separately, the Registry does not appear to do that. Also worker co-operatives can incorporate in different ways, for example if they incorporate as a company then it is difficult to identify them. And there is no representative body to which workers co-operative affiliate or which collects data on them.



**No. of worker co-operatives, Ireland**  
(Hughes, 2000; Carroll, 2005; Gavin et al, 2014)

| Year | Number |
|------|--------|
| 1982 | 10     |
| 1990 | 40     |
| 1998 | 82     |
| 2005 | <60    |
| 2011 | 19     |

In Table 1 we can see the numbers of worker co-operatives in Ireland over the last thirty-odd years.

At their height there may have been up to 100 co-operatives employing a few hundred workers (Hughes, 2000<sup>22</sup>; Carroll, 2005<sup>23</sup>). The most recent research puts the figure at 19 (Gavin, Moroney, Carroll & Ward, 2012<sup>24</sup>). The sector is likely to have contracted even further since then and quite considerably since the 1990s/early 2000s. Given that there are about 1,400 co-operatives overall in Ireland, the worker co-operative sector is a small, weak sector.

In terms of those that are active, they exist mainly in the services sector with maybe one or two still in manufacturing e.g. Athy Foundry. They are located in both urban and rural areas. In terms of size, worker co-operatives in Ireland are part of the micro or small business sector.

That is not the case elsewhere. The European Confederation of Workers' Co-operatives, Social Co-operatives and Participative Enterprises (CECOP) represents 25 federations which in turn represent 1.3 million workers, 50,000 enterprises and €50b in turnover (CECOP CICOPA, 2017<sup>25</sup>). There are over 20,000 employee owned companies in Northern Italy (Perotín, 2015<sup>26</sup>) sustaining a complex system of interconnected firms, which is seen to help overcome weaknesses and build on strengths (Birchall, 2011<sup>27</sup>). Spain has in the region of 17,000 worker co-operatives (COCETA, 2017<sup>28</sup>). And Spain of course is the home to one of the most impressive examples of worker co-operatives in Mondragón. We decided not to focus on Mondragón at this seminar today but there is plenty of material available online and in hard copy if people are interested in how the co-operatives of Mondragón have put into practice their belief in worker sovereignty, wage solidarity, democratic organization, inter co-operation, use of surplus and so on.

<sup>22</sup> Hughes, C. (2000) The Evolution of the Worker Co-operative Concept in Ireland: A Critical Analysis. Master's Thesis, unpublished, Cork, Department of Food Business and Development, University College Cork.

<sup>23</sup> Carroll, B. (2005) Co-operative Dilemmas; Case Studies in Irish Workers' Co-operatives. Masters Thesis, unpublished, Cork, Department of Food Business & Development, UCC.

<sup>24</sup> Gavin, M., Moroney, A., Carroll, B., & Ward, M. (2014) The Worker Co-operative Sector in Ireland: Current Status, Future Prospects. In *Journal of Co-Operative Studies*, 47 (2): 20-31.

<sup>25</sup> <https://www.cicopa.coop>

<sup>26</sup> Perotín, V. (2015) What do we really know about worker cooperatives? In *Cooperation: A Business Model for the 21st Century*. Webster, T., Shaw, L., and Vorberg-Rugh, R. (Eds.). Manchester, Manchester University Press.

<sup>27</sup> Birchall, J. (2011) *People-Centred Businesses; Co-operatives, Mutuals and the Idea of Membership*. London, Palgrave.

<sup>28</sup> <https://www.coceta.coop>

In France the number of worker co-operatives has been increasing significantly following policy measures introduced there under the last government. Ellie Perrin who is with us today has the detail of that in terms of tax and other incentives (Perrin, 2018<sup>29</sup>). In the United States, it is estimated that there are 450 worker co-operatives but that is very likely to be undercounted (Hoover, 2019<sup>30</sup>). We are hearing that worker co-operatives are having “a bit of a moment” in the US - I’ll come back to that. And in Canada, particularly Quebec, there is a vibrant sector.

To summarise the prevalence of worker co-operatives, they represent a very small proportion of all firms in most countries but they are more numerous than is usually thought. They are less diverse geographically and by production than agriculture and retail co-operatives. But in some cases they hold a vibrant position in economies.

In terms of assessing the performance of worker co-operatives, research is said to cast a long shadow on the assessment and perhaps development of worker co-operatives and it was often thought that worker co-operatives were small, specialised and undercapitalised and so not a serious option for business and employment.

However, there has been some reappraisal in recent years about what we know about worker co-operatives. In particular scholars such as Virginie Perotín at Leeds University Business School has collated and presented evidence challenging earlier findings in terms of the prevalence, size and performance of worker co-operatives. Perotín (2015) makes a compelling case that in practice worker co-operatives exist in most industries; they are not necessarily small; they are not necessarily under capitalised; they preserve jobs well; they invest as much as other forms of business; they are productive and so on.

That work is bolstered by the resilience that worker co-operatives demonstrated during the most recent economic and financial crash. CECOP (2012)<sup>31</sup> reported that none of its affiliated co-operatives ceased operating as a result of the crisis. Worker co-operatives are found to adjust pay rather than lay people off when things get tough. Gathering evidence for whether and how worker ownership makes a business more productive, more innovative or more transparent is ongoing.

I want to circle back to the question of why there aren’t more worker co-operatives. There’s a perception that the investor owned form of business is more efficient or more profitable than other business models (Gunn, 2006<sup>32</sup>) or that people prefer to just take their wages at the end of the week rather than own and make decisions about the business. Perhaps instead of it being a case that worker co-operatives are less efficient, their relative absence could be ascribed to a range of barriers internally and within their wider environment. No doubt the model is an unfamiliar concept to many people here in Ireland. There is a significant information gap. And there is a need to recognise the value both socially and economically of the contribution of co-operatives generally. The dominant business model is heavily supported while there are few explicit supports for worker co-operative development.

Another barrier is lack of capital which may relate to unequal wealth distribution in society and lingering mistrust of co-operatively owned businesses among some mainstream financial institutions. Management and business skills within co-operatives need to be developed, as our speakers from Loveworks mentioned. At the end of the day co-operatives are businesses. It may be hard enough to start a new business; adding a

<sup>29</sup> Perrin, E. (2018) Cooperatives and Worker Buyouts in France – The Benevolent Gaze of the Law? At <https://www.cbc.coop/speaker-notes-eleonore-perrin-university-liverpool/>

<sup>30</sup> Hoover, M. (2019) A fifty-year vision for the worker cooperative movement. Paper at the Mid-Year Fellows Workshop in Honor of Louis O. Kelso, Institute for the Study of Employee Ownership and Profit Sharing. Rutgers University School of Management and Labor Relations, New Brunswick, New Jersey January 11-13, 2019.

<sup>31</sup> Roelants, B., Dovgan, D., Eum, H. & Terrasi, E., (2012) The resilience of the cooperative model: How worker cooperatives, social cooperatives and other worker-owned enterprises respond to the crisis and its consequences. Brussels, CECOP.

<sup>32</sup> Gunn, C. (2006) Cooperatives and Market Failure: Workers’ Cooperatives and System Mismatch. Review of Radical Political Economics, 2006; pp. 38; 345. Sage.

concept that is not well known and that entails additional processes that take time to develop brings additional pressures. There are also barriers in terms of organising co-operatives and cultural inertia. Cian McMahon has already mentioned some specific issues worker co-operatives in Ireland have faced and Michael Taft has highlighted other issues in the wider society today.

What lessons from elsewhere? In a study of success factors and lessons from worker co-operative movements in Italy, Spain and France, Corcoran and Wilson (2010)<sup>33</sup> found that sufficient capital was important but so too was technical assistance provided to co-operatives in the start-up phase, either by government or by other worker co-operatives. Other success factors included holding at least a portion of assets in a mandatory indivisible reserve; the existence of significant federation and consortia structures which support, direct, and help educate the workers; managing to achieve a size and strength to enable the worker co-operative movement to be taken seriously by governments, the broader co-operative sector, etc. and having a strong sense of solidarity and inter-co-operation. Simel Esim has already mentioned other important supports.

We might differentiate between start-ups and conversions (transfers or buy-outs of pre-existing businesses). In a recent study (Murphy, McCarthy & Carroll, 2017)<sup>34</sup> we examined the worker co-operative model as a mechanism for the continuity of family firms. This is an important issue because two thirds of Irish family businesses indicate that they do not plan on passing the management of their business to the next generation. This a pressing issue elsewhere in Europe also. And so there is a role there for non-family employees. Our study explored what happened to some of the conversions involved using the FÁS Co-operative Development Unit (CDU) 'Family Firm Transfer' model in the 1990s. A few of those businesses are still in existence but none as worker co-operatives. We also examined family firms that converted to worker co-operatives elsewhere to try to glean from international experiences.

In terms of lessons, we found, unsurprisingly, that specific policy, legislative, funding and other support measures are available in other countries and that conversions to save jobs and businesses were actively promoted elsewhere. Soft and hard supports are required to enable conversions and an adjustment period for workers to transition to owners is required and needs to be supported.

I mentioned that the number of worker co-operatives is growing in the United States. It seems that 25% of active worker co-operatives in the US are the result of conversions, two thirds of these from retirements and one third from young owners (Marrafino, 2019)<sup>35</sup>. The worker co-operative development/representative bodies in the US are attempting to standardise technical assistance into a five-stage process from workers to owners. They spend a lot of time talking to businesses, workers and government about conversions. Interestingly one third of the employers that they worked with had already thought of the option of employee ownership.

Siôn Whellens spoke about CECOP and the context in the UK so I want to mention supportive frameworks/programmes that are available elsewhere. These often include advisory services, training and education and information. Italy, Spain and France provide legislative supports and tax incentives to worker co-operatives. Italy has recognition for co-operatives in its constitution, allows the transfer of surplus to indivisible reserves to carry tax exemptions which encourages capitalisation and allows the use of unemployment benefit to be used in conversions. Co-operatives in Italy are required to contribute to co-operative development funds.

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<sup>33</sup> Corcoran, H., & Wilson, D. (2010). The worker co-operative movements in Italy, Mondragon and France: Context, success factors and lessons. Calgary, Canadian Worker Cooperative Federation.

<sup>34</sup> Murphy, L., McCarthy, O., & Carroll, B. (2017). No Heir apparent? Exploring the Worker Co-operative Model as a Solution to Family Business Continuity. In *Journal of Entrepreneurial and Organizational Diversity*. Vol. 6, Issue 2: 20-39.

<sup>35</sup> Marrafino, J. (2019). Session on the work of the Democracy at Work Institute at the Mid-Year Fellows Workshop in Honor of Louis O. Kelso. Institute for the Study of Employee Ownership and Profit Sharing. Rutgers University School of Management and Labor Relations, New Brunswick, New Jersey, January 11-13, 2019.



In the United States, in terms of worker co-operative start-ups there is a focus on job creation but also on migrants' rights, housing, healing and social justice. The majority of members of recently established worker co-operatives are women and many are of Latino descent. Examples of very new co-operatives includes the Staffing Co-ops in Baltimore and Colorado which focus on targeting ex-prisoners and people of colour. They attempt to win contracts in food processing and light manufacturing and warehouses, trying to address the high turnover of staff in those sectors while offering good conditions and a stake in the business. These new co-operatives are experimenting with suitable governance and financing options.

Referring back to Scotland and the Co-operative Development Services there, I want to concur with Cian and say that many good ideas emerged from the CDU here including spin-offs and family firm conversions although there wasn't enough focus on the co-operative piece<sup>36</sup>.

Potential/emerging worker co-operatives may arise to cater for the needs of the self-employed, contractors and freelancers, as mentioned earlier by Simel. These may provide joint services such as back office work, tax advice, insurance, office space and so on. There are significant challenges there too in terms of organising workers, providing adequate tax advice and so on. Trade unions may have a role in organising and in advising these sectors.

The International Labour Organization Recommendation 2002 (no. 193) calls on governments to create an enabling environment for co-operatives of all types. There is a policy deficit here in Ireland in this regard. The Department of Business, Enterprise and Innovation review of the Industrial and Provident Societies legislation and regulation (under which most co-operatives operate) has been ongoing on for some time. In the meantime, there is a Private Members' Bill by the Independents for Change going through the Houses at present which has the support of Fianna Fáil and Sinn Féin. There are also specific policy proposals relating to worker co-operatives developed by Sinn Féin. Getting cross-party support for worker co-operatives would be good. Too much weight can be placed on the shoulders of worker co-operatives in terms of what they might be expected to achieve. They should be allowed to be independent, autonomous organisations and open to a diversity of forms, notwithstanding the benefits of asset locks.

In terms of legislation, there is a view that there are some impediments to worker co-operative development in our current legislation. On the question of whether specific legislation or recognition in law is needed for worker co-operatives, that is an ongoing debate. Legislation can help anchor and legitimise co-operatives while policy can be blown away faster than legislation. The existing legislation, while having some faults, arguably has not served us too badly and allows for a lot of leeway. There may be scope there for change in legislation but there is also scope for leadership, for self-belief, for education, for training, for engagement of various types and for the development of other supports as mentioned.

Without a doubt there are more worker co-operatives established where they already exist and not many exist here in Ireland so promotion of the concept and attention to the other issues raised here today is crucial. If we want worker co-operatives/employee ownership to be an accessible option for people addressing all kinds of needs and contributing to a more sustainable economy then we cannot let it remain an isolated area of discussion. The model needs to be seen as an effective business model and as an accepted way to organise a business. Certainly there are important questions around policy, legislation, development capacity and supports, scaling and so on, but there are some very positive experiences too that we can point to. It is up to all of us now to ensure that we offer the model up as an option for people and support its development.

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<sup>36</sup> Carroll, B. (2005) Co-operative Dilemmas; Case Studies in Irish Workers' Co-operatives. Masters Thesis, unpublished, Cork, Department of Food Business & Development, UCC.

## Breakout Discussion Feedback

### What should the grassroots be doing?

- Activate the principal of “co-operation among co-operatives”. Existing co-operatives, credit unions and trade unions should work together in all kinds of ways as they are/can be a vital force for good in society. Think about and explore how this might be brought about/strengthened.
- In particular, those involved in/interested in worker co-operatives should work more together.
- Co-operatives and worker co-operatives should trade with each other.
- One problem is that the grass isn't growing roots! This applies across the co-operative and indeed other movements. This needs to be addressed.
- Do what they are already doing!
- Disseminate stories/experiences of worker co-operatives through media and education. Use examples that might motivate people to choose the model. The more people hear, the better.
- Embrace multi-stakeholder approaches to co-operatives.

### What should the trade unions be doing?

- Recognise the connections and shared values between trade unions and worker co-operatives.
- Reconnect with the co-operative movement, in particular the worker co-operative sector.
- Adopt a collaborative approach with the sector.
- Adopt more than a minimal approach with the sector.
- Offer even basic supports –it might be the use of a room/facilities or some advice.
- Try to get the rank and file of trade unions involved.
- Help re-conquest space for co-operative development.
- Play a role in education.
- (Re-)Activate a trade union fund for worker co-operative development and making sure it is easily accessible.

### What should the government be doing?

- Enable a level playing pitch between worker co-operatives/ co-operatives and other models of business and social enterprise in terms of supports, funding etc.
- Make funding available for enterprise development that is of a worker co-operative model.
- LEOs (Local Enterprise Offices) should discover and understand the worker co-operative model.
- Co-operation is a process – this needs to be understood in terms of expectations and supports that might be given to organisations/businesses/groups.
- Be more proactive and less reactive in terms of supports and enterprise development.
- Include worker and other co-operatives in the school curricula.

## Feedback and Responses Panel

### Siôn Whellens and Bridget Carroll joined by Sam Toland, Co-operator and Michael Taft

**Sam Toland:** *In considering how we can support co-operative development through establishing a support agency like a Co-operative Development Unit, perhaps we should think of focusing instead on a multi-stakeholder approach drawing on the example of 'solidarity co-operatives' which have combined both worker and consumer ownership within their co-operatives. The Dublin Food Co-operative is currently on a journey of exploring the introduction of formal worker ownership alongside our existing consumer ownership.*

*Trade unions could act as a both 'Anchor' institutions and 'Lighthouse' institutions. They could purchase and procure services from co-operatives and could highlight co-operative alternatives in finance, retail and housing to their broader membership base. There's really a huge role for them in supporting the growth of a more co-operative economy.*

**Bridget Carroll:** *On the question of legislation, a few things. In some ways the legislation in existence, while certainly dated in terms of language and with some shortcomings hasn't been that bad. It is quite benign and allows for a lot of leeway. While what it legally allows co-operatives to do is more restrictive than that of companies, it has been widely interpreted by the Registrar. Perhaps that is a problem: will future Registrars have the requisite knowledge/awareness of co-operatives to make good decisions? It has been argued by Siôn and others that co-operatives are best placed to define co-operatives; that this shouldn't be in legislation or left to legislators. However, the legislation does have shortcomings and could be of more use to the movement.*

**Michael Taft:** *How do we proceed? A concrete proposal should be made. There is a closeness there between trade unions and worker co-operatives in terms of some of their aims. They should talk to each other. I would suggest that representatives from the co-operative movement meet with a small group of trade union people and talk through the issues one by one and see if an agenda would come out of it. Let's try to ascertain the expectations, capacities, willingness out there, and get reacquainted and construct an agenda of small steps. Working together to progress in this way would be better than making promises. Let's get on the same road moving together.*

## Participant feedback on the day

- Legislation isn't the barrier that one can think it is; challenging our individualized conditioning is.
- The overall ethos of (worker) co-operatives as outlined by the speakers is what matters.
- Hearing practical elements to spur on co-ops is important. The breath of practical examples is valuable.
- Loveworks is hugely inspirational.
- The wider intersection of housing co-op potential and economic democracy in consumer co-operatives needs more airing.
- Hearing more of the logistics of setting up a co-op would be good.
- How trade unions and co-operatives could work together (was of most value to me today).
- The ILO perspective on co-operatives was very valuable.
- The emphasis needs to be on education in terms of building a co-operative, democratic culture.
- The utility of being creative around co-operative organisation regardless of the legislative environment is a good insight.
- The value of trade union organising is evident from today.

## Speakers and Contributors

- **Michael Taft** is a researcher in SIPTU, the Services, Industrial, Professional and Technical Union. He is author of the political economy blog, 'Notes on the Front'. SIPTU represents over 180,000 workers in Ireland.
- **Simel Esim** holds a BA in political science, an MA in International Economics and Middle East Studies and a Ph.D. in economics with a concentration in development economics. She has worked with international organisations on formalising the informal economy, women's economic empowerment and labour migration among other issues. Between 2004 and 2012, she was a Senior Technical Specialist in the ILO's Regional Office for Arab States in Beirut. For the past seven years she has been the Manager of the Co-operatives Unit at the ILO in Geneva. The unit, which has been in existence since 1920, serves the ILO constituents on issues related to cooperatives and other social and solidarity economy enterprises through research, policy advice, training and development cooperation guided by the ILO Recommendation on the Promotion of Cooperatives, 2002 (R.193) .
- **Richard Higginson** is a founding member of Loveworks Co-operative, Belfast. A retired medical doctor, Richard retrained and has an MA in Conflict Transformation through the Centre for Justice & Peace Building at the Eastern Mennonite University in Virginia, USA. Richard is drawn to therapeutic practices that are simple, accessible, and non-confrontational; practices that do not require participants to articulate how they feel necessarily, but where their very participation is transformative for them. Loveworks Cooperative was born in 2015 as an attempt to co-create a sustainable system that enables those involved to give and receive in a way that generates dignity and wellbeing.
- **Ryan McAuley** is a member of Loveworks Co-operative Belfast.
- **Tiziana O'Hara** is Chair of the Society for Co-operative Studies in Ireland. She is a founding member of Co-operative Alternatives, the co-operative and community benefit development organisation based in Belfast.
- **Siôn Whellens** is a Vice President of CECOP, the European network of co-operatives in industry and services. His working life has been in worker co-operatives in the graphic design and printing industries, mostly at Calverts in London. He is also a co-operative organiser and advocate with the Principle Six partnership. He specialises in advising community and worker co-op start-ups and conversions. Siôn has also served as a Director of Co-operatives UK, Co-operative and Community Finance and Co-operatives London.
- **Bridget Carroll** is Treasurer of the Society for Co-operative Studies in Ireland. She is a researcher in the Centre for Co-operative Studies and lecturer in the Department of Food Business & Development, Cork University Business School at University College Cork. She has published on the topic of worker co-operatives.
- **Fiona Dunkin** is a former Policy and Communications Manager with Co-operative Housing Ireland, a non-for-profit housing provider in Ireland and a committee member of the Society for Co-operative Studies in Ireland. Fiona has a background in social justice, having completed an MSc in Equality Studies in University College Dublin in 2013. She is also involved in political activism and has worked in the non-for-profit sector in Ireland for a number of years.
- **Cian McMahon** has recently been awarded a PhD in the political economy of worker co-operative development. He is a former Policy Analyst with the Think-tank for Action on Social Change (TASC) and is involved in trade union and activist education.
- **Sam Toland** is passionate about the capacity for co-operatives to build a more equitable economy. He has worked with a number of start-up co-operatives such as Resonate and is Secretary of the Dublin Food Co-op.

