

# WORKER'S CO-OPS

Newsletter of the Worker-owned Co-operatives Committee of the  
JANUARY 1981 Co-operative Future Directions Project

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1, Number 2

## Reports on Meetings

Well, at last, here's the second issue of Workers' Co-ops. It took awhile but I hope its worth it. The pile of workers' co-op materials on my desk to be dealt with reached a good 12 inches during the last month. I've now got it down to a respectable inch. Caught in the backlog were reports on two meetings of the Toronto Section of the Committee, November 17, and December 17, 1980.

### 2nd Meeting - November 17

A month after our first meeting we met again to see how many of the ambitious plans we had outlined (see first newsletter) had reached fruition. Five of the six originals were there, plus a new member, Carmen Schifellite. Essentially it was an administrative meeting, reviewing tasks and deciding on new ones. Plans were made for meetings focused on discussing a typology of workers' co-ops and on the competing concepts of profit and service in the objectives of workers co-ops.

With regard to the request of the CFDP for each analysis committee to formulate development plans, we found that the immediate plans and the long-range objectives were easy to agree on, but the middle period was still very fluid.

Essentially we felt that the committee should, in the short range:

1. Recruit new members, find and share new research materials, develop liaisons with other groups

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## Contacts

### Our Membership Grows!

As of January 12, 1981, the CFDP Workers' Co-ops analysis committee mailing list had 59 names. They are distributed as follows:

Vancouver 6, Edmonton 2, Regina-Saskatoon 3, Manitoba 1, Northern Ontario 1, Toronto 31, Ottawa 5,

Southern Ontario 5, Montreal 1, Nova Scotia 3, New York 1. Of the 59 names 43 are individuals and (my estimate) 16 represent co-operatives, usually workers' co-ops or collectives. This column is as good a place as any for workers' co-ops to introduce themselves (sort of a lonely-hearts and minds column). If you wish to be introduced around, send either written articles, or even your basic brochures to the editor. Please! SOON! (I am getting tired of writing everything).

Paul Jones

## Ex Libris

Workers' Co-operatives: A Handbook by Peter Cockerton, Tim Gilmour-White, John Pearce, Anna Whyatt. Published by Aberdeen Peoples Press, 1980. Distributed by Scottish and Northern Books Distribution Co-operative Ltd., 45/47 Niddry Street, Edinburgh EH1 1LG. 123 p. bibliography

A friend who has just returned from a year's study at the London School of Economics loaned me a copy of this book; other than the Scottish address above, I can't

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## meetings...

2. Develop face to face committees in other areas. Vancouver and Ottawa are the first obvious targets that come to mind.

In the long range, it was again clear that we felt that the group in some form should exist beyond June of 1982, probably by transforming itself into a resource group to assist in the development of workers' co-ops. To this end we should develop models for the development of workers' co-ops in Canada. However, how we should deal with the stages in between was not clearly agreed on. The idea of a conference or conferences (i.e. in Toronto, Vancouver, and ?) was put down as a maybe, along with the idea of smaller workshops and seminars.

In terms of the immediate objective to improve recruiting, it was decided to prepare our own brochure, and a subcommittee was formed to produce it.

### 3rd Meeting - December 17

This was our first attempt at a meeting centered around discussion of issues. This was aided by the addition of three new people, Jack Deboer, Maureen Kenny and Don Wells. Much of the discussion has been summed up in George Wheeler's article on "A Typology of Worker Co-ops" (in this newsletter) and Bob Schutte's "Goals for the Workers' Co-op: Maximizing Service to the Community" attached. It was an interesting beginning of an attack on the problem of "framing the questions" necessary to building a model for the development of worker co-ops.

Paul Jones

## Workers Co-ops

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## Scanners Reports

The majority of scanners' reports submitted generally are not applicable to worker-owned co-ops. However, some of the topics that the scanners are focusing on raise some key issues for the workers' co-ops committee. Several concern computer applications, particularly as information services in the home.

One issue this raises is the general one of industrial strategy. Who is going to make all these home computer sets and who will maintain and sell/rent them? In other words, is this a viable area for worker-owned co-operatives? Many economists feel that because of its high-priced, highly-educated labour force, Canada will have to focus on high technology manufacturing to maintain some semblance of industrial growth in the 1980s. Currently, small to medium size companies are purported to account for more "innovative" products than large firms, despite the large firms considerable investment in research and development. Could a workers' co-operative structure function in this environment as effectively as small business? Generally the more "educated" the workers, the more they seek to participate in management. Perhaps co-operatives would actually have a competitive edge.

The second issue is raised most directly by an article that appeared in the April 1980 issue of Omni entitled "Instant Democracy" (submitted by Milton MacKenzie). Several companies are already using an electronic device that speeds up meetings by flashing questions to voters on a television screen, and records the degree of approval and the importance of the question in the eyes of the "voter". On one hand, this appears to de-personalize

meetings, while on the other hand, it may eventually make wider involvement in decision making possible.

An article more directly focused on our concerns appeared in the Sept. 6 1980 issue of the Financial Post (p. 18). A British company, GEC Machines Ltd. gave three groups of temporary workers the same task over a 2½ day period. One group was completely organized by management, the second collaborated with management, but the third group were all anarchists, they operated on their own. Guess who won! Group number three (the anarchists) had the highest productivity and profitability! The scanner added that personal experience indicated that much more could be accomplished by the managers if they don't have employees constantly interrupting. "All agreed--no more managers--press your computer buttons now!"

Paul Jones

## contacts... from page 1

Collective Resources and Services  
Workers' Co-op  
1239 Odlum Drive  
Vancouver, B.C. V5L 3L8  
(tel. (604) 251-1585)

This is a brokerage food wholesaler and Uprising Breads Bakery that has just joined the CFDP Workers' Co-op network. They have annual sales of over 1½ million (\$844,636 for six months ending 31 August 1980) and assets of about a quarter of a million. They supply a wide variety of nuts, dried fruit, baking supplies, christmas cakes (made by Uprising Breads Bakery), nut butters, rice, seeds, flours, beans, fruit and jams, grains, snacks, coffee and tea, granolas, pasta, Canadian cheese, vegetable rennet cheese, imported cheese, and oils. The christmas cakes are sweetened only with honey, and contain fresh cranberries, dried fruit, walnuts, vegetable shortening, whole wheat flour, rum and spices.

Write them for a price list to drool over.

More interesting to others is their financing arrangements. As of August 31, 1980, on liabilities of \$267,485, 32% is share capital and "contributed surplus" and 7.8% is loans from members. They also appear to have a system of accrued bonuses. It would be interesting to hear more from CRS Workers' Co-op on the organizational structure.

### The Federation for Economic Democracy is defunct

The Federation for Economic Democracy, a Washington-based group promoting economic democracy and workers' control, is defunct. However, the Association for Self Management lives on! The ASM is a "... non partisan and non-doctrinaire..." group that brings American company managers, workers labor unionists, academics, researchers, students and social activists together into a national network composed of regional groups. It holds annual conferences and publishes a newsletter and occasional major studies and reports. Local groups hold discussions, assist local self-managed enterprises, teach courses and compile educational materials. Membership is institutions: \$30.00; individuals (income over \$10,000): \$20.00, (income under \$10,000): \$10.00; Students, retired and unemployed: \$5.00. They can be contacted at

The Association for Self-Management  
1747 Connecticut Ave. N.W.  
Washington, D.C. 20009  
(phone: (202) 265-7727)

## Credit Union for the Buffalo Co-op Community

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The Buffalo Co-op Community Council, a local Federation of food co-ops and work collectives has formed a credit union for the community. Six work collectives: Yeast West Bakery, Greenfield Street Restaurant, Emma Books, Talking Leaves Bookstore, Simple Gifts Women's Shelter and Great Snow Graphics, and three food co-ops form the initial group. The credit union operates out of the Lexington Co-op and the North Buffalo Co-op on Fridays, Saturdays and Sundays. The objectives are to pool savings to "...pursue loan policies that reflect the priorities of our membership" and the community. They feel that the credit union will "...give the co-op community a little more power by taking back our control over how our collective savings are invested." For more information, contact Derek Bateman (716) 881-1085 in Buffalo.

## ex libris... from page 1

tell you where to obtain a copy. Its a pity because this is an exceptionally good guide to developing a workers' co-op, even though details of legal structure and financing apply to the U.K. only.

It was first published in May of 1977 by the Scottish Council of Social Service and the Scottish Co-operatives Development Committee, but proved so popular that it was soon out of print. This is a second edition, revised to be more widely applicable in the U.K. As noted in the foreword, "A surge of interest in workers' co-operatives is currently evident throughout Britain. This reflects a search for new forms of industrial organization which are more rewarding for those who work in them than private enterprise or nationalized industries."

There are more than 300 known workers' co-operatives in Britain.

The book is divided into four parts, with appropriately most of the space dealing with what is called "The Mechanics of Workers' Co-operatives." There are brief, simply 2 or 3 page answers to a series of questions, such as:

"What are the principles of a workers' co-operative?"  
 "Who can start a workers' co-operative?"  
 "How is a workers' co-operative organized?"  
 "What finance does a workers' co-operative need?" and  
 "What happens to the profits?"

The other sections give a brief history of workers' co-ops in the U.K., some case studies of operating co-operatives, and an appendices of resources, financing arrangements, legislation, etc. mostly applicable to the U.K.

The CFDP Workers' Co-op committee has often talked of building a model for Canada. This handbook would provide a good framework to begin with. Paul Jones

## Typology

Jack Craig has devised a classification system for different degrees of both worker democracy and worker ownership illustrated on page 6. The known examples have been placed in the appropriate categories.

A recent article by James O'Toole in the Harvard Business Review (Nov-Dec, 1979, pp 185-197) entitled "The Uneven Record of Employee Ownership," sheds light on the successes of each of these different types. If we take the findings of the paper, there is strong evidence that we can group the record of success or failure in the following manner:

## Control of work policies/processes

		Control of work policies/processes	
		Little meaningful involvement	High level of meaningful involvement
Ownership by Workers	Low	<sup>1</sup> failures most ESOPs	<sup>3</sup> mixed record
	High	<sup>2</sup> mixed record	<sup>4</sup> successful 18 worker co-ops discussed

The conclusion is that the work environments with the highest levels of ownership and work democracy were the most successful businesses--an important point when we are considering the potential of worker co-operatives.

O'Toole proposes two general principles for success in these ventures:

- 1 "The ownership principle can thus be stated: the more worker ownership in a company, the better."
- 2 "Worker-owners need to assume all the responsibilities of self-management that ownership entails, including all the consequences of success or failure of the enterprise."

We need to define the criterion for success of a worker-owned business in which there is work democracy. Three factors might be a higher level of productivity, more job satisfaction and the ability of the business to sustain itself.

O'Toole makes the point that enterprises that are attempting to improve their productivity through employee ownership must offer direct and widespread ownership. The least successful motivation occurs when the company offers stock-holding plans that are held in trust by the corporation as pension programs.

Secondly, any quality of working life, work-planning participation, or work democracy must be real and

meaningful if job satisfaction and productivity are to increase. To quote, "While workers are likely to reject responsibilities without accompanying rights, they are also likely to see rights without responsibilities as a sham."

Worker co-ops are in the unique position of being able to combine two elements that strongly affect both productivity and job satisfaction--ownership and work democracy. Now that we are glimpsing the potential, the work ahead involves considerable investigation of the appropriate control structures for efficient worker-democracy, and discussion of the appropriate form of ownership. This second question, the form of ownership, will be particularly important for determining appropriate linkages between the individual enterprise and the co-operative system.

*George Wheeler*

## Ex Libris

The Case for Workers' Co-ops  
by Robert Oaskeshott, 1978,  
272 pp. Published by Routledge  
and Kegan Paul, London. Available  
in Canada through their agents,  
Oxford University Press, Don  
Mills, Ontario, Price \$29.56  
hard cover.

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CREDIT UNION FOR THE  
TYPOLOGY OF WORKER CO-OPS I  
Control of Work Policies/Processes

by workers (Work Democracy)

Ownership	<sup>1</sup> Annual mtg. of all workers a few elected reps	<sup>7</sup> Periodic meetings to discuss firms policies	Periodic on-firm policy and work place democracy
Owned by investors	<sup>2</sup> co-determination Employee share ownership plans ESOP (minority)	<sup>8</sup> Scott Bader ICOM	13
Owned by the State	<sup>3</sup> co-determination (Germany)	<sup>9</sup> -Yugoslavian self-management	14
Owned by -worker shareholders -others	<sup>4</sup> Many worker co-ops in India	10	15
Owned entirely by the worker shareholders	<sup>5</sup> ESOP (majority)	<sup>11</sup> - plywood firm in west coast of US	<sup>16</sup> -plywood firm in west coast of US
Owned collectively by workers in that economy	<sup>6</sup>	12	<sup>17</sup> Mondragon

SIMPLIFIED TYPOLOGY II

Control of work policies/processes

Ownership	Little meaningful involvement by workers	High meaningful involvement by workers
Low level by workers	I 1, 2, 3	III 13, 14, 15
High level by workers	II 4, 5, 6	IV 16, 17

As a "case" for workers' co-ops, I find this book somewhat lacking. Oakeshott is a writer and a journalist, not a sociologist or an economist, and is at his best describing and reporting, rather than analyzing or logically building a "case."

However, what Oakeshott does well, he does extremely well. The book has a very thorough review of historical and contemporary developments in Britain, France, Italy, and of course Mondragon in Spain as well as an overview of developments in the rest of the industrialized world.

Oakeshott has been involved with workers' co-ops for some years, including founding a building co-op known as "Sunderlandia" and has amassed an impressive range of contacts and knowledge. Everything from the classical struggle of the French workers to found La Verrerie Ouvrière d'Albi to annual incomes in San Francisco's successful Sunset Scavenger Co. (a garbage collecting co-operative) is mentioned, despite my criticism above, in a general interpretative framework. For someone looking for general material on workers' co-ops in order to do further analysis, The Case for Workers' Co-ops is ideal.

Paul Jones

"The Tembec Story" by Réal A. Cauchy, in Quality of Working Life. The Canadian Scene, 1980, Vol. 3, No. 3 4 pages.

I have not found much that has been written on Tembec, though of course there is the well-known National Film Board production. It would be helpful to hear reviews of other articles on this Canadian experiment of worker participation in ownership and decision making. Tembec is not a co-operative, but in the Canadian context it is probably the most significant move towards a workers' co-op that there is.

Tembec originated in response to a particular crisis in a particular community, and the objective of getting the pulp mill operating again took precedence over details of unfamiliar co-operatives or worker participation models.

Réal Cauchy's brief paper gives a quick overview of the history of the mill and the area, the financing arrangements and ownership (workers 41.5%, townspeople 2.5%, Quebec government 12%, the original four Montreal "entrepreneurs" 44%), the profit sharing plan, worker participation in decision making (two union officials on the board), the "education" program and industrial relations. However, Cauchy is very clear on what he sees as the main benefit of the experiment, for him "there are too many workers who lack basic economic information judged essential to the proper functioning of an enterprise. We must, therefore, make them conscious of the realities of the free market system and involve them more directly in the activities which depend on their work."

## Announcements

We need money for our growing bureaucracy!

The Toronto group of the worker-owned co-operatives analysis committee of the Co-operative Future Directions Project is pleased to announce the appointment of Mark Goldblatt as Treasurer. This brings our administrative bureaucracy up to two (counting Paul Jones as the coordinator {we won't mention the typist}). Mark Goldblatt is not so pleased to announce that we have no money. We would like to use the money, donations, etc. to buy books for a small library for the group. Already purchased, for example, is a copy of Robert

Oakeshott's The Case for Workers' Co-ops, \$29.56. On order are four copies of Workers' Co-operatives: A Handbook (see Ex Libris).

Donations, cheques, money orders may be sent to Mark Goldblatt at: Co-operative Housing Federation of Toronto, Inc.  
299 Queen Street W., Suite 501  
Toronto, Ontario M5V 1Z9

Give generously! Help get Mark out of hock!

## Mondragon

*Editor's Note: The Mondragon industrial co-operatives are increasingly seen as the model to follow in developing workers' co-ops elsewhere. It is interesting to see from this translation how the leaders of the Caja Laboral Popular see themselves. It should be noted that Mondragon's one and only strike took place in 1974, and lasted a week. 17 strikers were fired and 397 disciplined. The issue was job reclassification, though some have suggested that ULGOR, with 3,462 members, had simply grown too large to be a co-operative.*

Preamble to the Annual Statement for 1977 of the Caja Laboral Popular, Mondragon, Spain.  
*translated by Bob Schutte*

### To the Rhythm of Our People

Our environment, our society, is undergoing profound changes, events which possibly will shape the basis for a new social and political order, characterized by the presence of new levels of opportunity, and growing improvement of our situation.

Over our course, up to the present, we have used many-faceted formulae to come to grips with practical and imperative activities. Our goal, which constitutes our historic mission, has become unalterably fixed: to serve the people from whom we arise, and with whose aspirations we identify.

But, facing the new (political) situation, we must seriously give effect to the relationship of the Caja Laboral Popular with Basque Nationhood, with the object of service. A profound change in society will necessarily call for new efforts of imagination, in order to incorporate our communitarian mission into the growth and evolution which will generate these social and political changes.

The idea of permanent renewal should not be considered purely incidental, one of simple accomodation to the

preoccupations of the moment, but rather serious and substantial. This idea is in response to a firm, deep-seated conviction: the desire to walk always to the rhythm of our people, attentive to their expression, sharing their objectives of integral development in freedom.

### The Foundations of our Experience

Notwithstanding, this renewed anxiety should not lead us to relinquish those foundations which, having shown their validity all along our course, constitute the fixed axioms of our co-operative experience. What we have to do, nevertheless, is to closely reflect the concrete ways of acting which the application of those foundations demands in real circumstances

### Work

In this context, we must recognize that work is our basic value, our fundamental asset. It has been able to furnish us with an acceptable level of material well-



being, overcoming the miserly natural resources, which our land, more beautiful than bountiful, offers us. If historically, work has been the firmest support of our progress, we must trust that its efficacy has not been mispent in building new options for community development for the future. In order for that (to be the case), it is necessary to consolidate and enrich this asset, our Work, spiritual and technical, to endow it advantageously, so that it can continue to exercise its transforming function. From this point of view, education, research, and exports constitute some other focii to work on, which require continuous attention and innovation on our part.

#### Participation

Co-operation basically signifies conscientious and responsible participation. Today more than ever it is necessary to reaffirm the value of dialogue in our communities, as a creative font of new options. It is necessary to banish mutual mistrust, sterile preconceptions, and deliver oneself to collective labour, with an attitude of open collaboration. Our implementation of the internal plan presently requires perhaps a much better mobilization of all available human reserves, rather than the accumulation of more new business in the same areas. But it is logical, and healthy, that in the exercise of dialogue, that different and contrary opinions emerge. The attitude of opposition should be respected, especially if it expresses itself within the larger framework accepted and truly originating from men of good will, who are profoundly implicated in the commitment to collective action which our communities of autonomous workers represent.

#### Solidarity

An attitude of genuine solidarity can not be limited to the membership of each co-operative, nor can it remain materialized only in simple mechanisms of reference to the external world. Isolation will not be less subject to criticism for a co-operative than for a person individually considered. From the beginning of our experiment, we have encouraged a Group vocation, always open to our surroundings, which has marked our character, atoning for the construction of institutions with hierarchies, in response to other very great scarcities and limitations. Institutions were what everyone understood, and have made possible our evolution.

Facing an immediate future that looks harsh, tense, our major strength lies precisely in this: in good will and the practice of marching as one, of constituting a group, with all that implies about the fitness of particular concerns to the general ones.

Organization, work activity, active pastimes, suppose limits to the concrete application of the principle of solidarity, which extend themselves thus into distinct stages (youth, maturity, old age) that pass consecutively over human life. Solidarity across age groups, with those we have revered, with those who continue our work, alike is a requirement on the way toward the society without classes.

#### To Accelerate the Rhythm

The steadfastness of our course confirms the validity of our grounds of departure. Self-satisfied attitudes, which can lead us to inactivity, to a state of suspension, to being spectators of life do not fit in our dynamic plans.

The practice of self-management which we have chosen implies the disappearance of paternalism from our structures for living together. Abandoning this vice will rightfully demand of us increasing commitment and capital, free of foreign servitude. An explicit commitment to the evolution of Basque Nationhood is threatened today perhaps by incomprehension and intolerance.

It is necessary to march quickly, hastily, with simplicity and cheerfulness, suiting that evolution to what we are, to the rhythm of our people. And to trust in the future, in work, in participation, in solidarity, and to have faith in change. Because our mission consists precisely in accelerating it.

To go forward, become transformed  
To open up the narrow mountain  
pass, open it with the heart  
To build countries, build life  
together.

Fr Jose Maria Arizmendi  
-1976

*translated by Bob Schutte*

## announcements...

### Tricofil recalls 85 workers

Tricofil, the Montreal-based worker-owned textile firm, has started to recall the 85 workers who were laid off in July of 1979. (Le Devoir, 6 novembre) According to General Manager, M. Richard Bourget, projected profits for the 1980-81 fiscal year will surpass \$300,000. At the end of the first six months in September, Tricofil had already realized \$165,000, over half their projection. So financing has stabilized, and with a new director of marketing, they plan to expand their product line to include better quality cloths with more wool, and to expand their markets

to Ontario and Western Canada. Reassured by the sound financial operation of the company, Tricofil's suppliers are now extending credit arrangements to the group, greatly improving their cash flow.

*Paul Jones*

### ICA Recommends Industrial Co-ops

The Co-operative Union of Canada published a story on the International Co-operative Alliance recently held in Moscow. The major recommendations of a report entitled "Co-operatives in the Year 2000" written by Dr. A. F. Laidlaw, well-known Canadian co-operator, were adopted by the ICA. Laidlaw suggests that the world-wide movement should emphasize four priorities for the next two decades: increased development of agricultural co-operatives; further development of consumer co-operatives; the promotion of industrial co-operatives and the creation of multi-purpose urban co-operatives.

About industrial co-operatives, the recommendation is for "the promotion of industrial co-operatives and the conversion of existing industrial enterprises to the co-operative form of organization so as to contribute to an increase in incentive and productivity, a reduction in unemployment, an improvement in industrial relations, and the development of a policy for a more equitable distribution of incomes."

*George Wheeler*

### The "Essence of Co-operative Ideology" ?

An editorial appearing in the Oct. 22/80 issue of Credit Union Way took issue with a statement recently made at a one-day seminar for senior executives of Saskatchewan's 20 largest credit unions. The speaker was quoted as saying, "Who cares whether

multi-nationals look after expanding our capital plant or we do? The big thing is if it creates jobs." The writer disagrees with the statement, and points out that ownership is a key issue for co-operators that foreign ownership does not allow Canadians to control their economic destinies that the interest and dividend payments necessary to service foreign investment will soon reach \$10 billion a year and thus stifle Canada's efforts to maintain a favourable export/import trade balance, and that 80% of foreign-held assets in Canada have been financed from profits generated within this country. The author points out that co-operative and crown corporation successes show that locally financed enterprises can succeed.

Such a discussion leads to the question of the form that a serious economic development program would take in Canada. Clearly, if we are to have economic development that is truly productive then we need a program to coordinate the necessary inputs. And, since the full scope of economic development has not been properly considered, there is currently the opportunity to think seriously about the role that industrial, worker-co-ops could play. This is particularly timely because they have the demonstrated capability, when properly implemented, of increasing both productivity and job satisfaction. There are two important considerations, because Canada loses the second highest number of days in labour disputes, next to Italy, and Canada's productivity per hour has fallen far behind that of other industrialized nations. Worker co-ops are an important potential component of a co-operative development strategy in Canada. *George Wheeler*

## Co-ops Unite for Regional Development

Thirty-three co-operatives, including two production co-ops, were invited to a founding for a "conseil d'intercoopération" by l'Association coopérative d'économie familiale de l'Estrie (in Quebec's Eastern Townships) on November 8, 1980. The group hoped to coordinate development programs for new co-operatives, tell the public about the co-operative idea, and generally increase their regional impact. For ACEF de l'Estrie, the two different strategies "...le développement économique ou le développement humain..." are not incompatible, but necessary complementary components.

*Paul Jones*

## NDP Passes Resolution on Workers' Co-ops

At its 10th Convention in Guelph on June 20-22, 1980, the Ontario New Democratic Party unanimously passed a resolution calling on an NDP government to establish an "Ontario Co-operative Development Corporation" to provide financing, banking services and management consulting advice to members. Members must be producer and manufacturing co-operatives that are (1) owned and democratically controlled by their workers (2) initiated by their workers and (3) have significant share capital contributions from the workers. Modelled after the idea of Mondragon's Caja Laboral Popular, the resolution also specifies that financing (loans, etc.) will be conditional on the co-operative agreeing to contractual standards of management and regular audits by the Development Corporation. Also, member co-operatives would be required to purchase shares in the Corporation in proportion to their assets.

