

WORKER CO-OPS

volume 3 / number 2

NEWSLETTER

Modistas races against the clock in a struggle to survive

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Jack Quarter

The garment industry is highly competitive, with market pressure from the labour-cheap Orient causing Canadian firms to move out of low price lines and concentrate on high quality and specialty items. The garment industry is also highly exploitive, relying primarily on low paid immigrant labour doing piecework in sweat shops. For those reasons, this industry is a very unlikely place for a worker co-op such as Modistas (dress-makers in Portuguese).

Currently in its second year of production, Modistas—a nine women ladies' garment co-op has developed innovative, contemporary clothing designs for career women, which retail for \$175-\$200 in the Bay and other well known outlets. Occasionally there are sales to the public from the co-op's factory in Toronto. In spite of its successful start, Modistas' survival is not assured. If Modistas is not financially self-sufficient at the end of its LEAP funding—currently in the second year of a three-year grant—either it will have to find outside financing (which may mean external control) or disband. As both a business and as a co-op, Modistas' future is precarious. But Linda Moffat, the company's dynamic manager who spent two hours with me discussing Modistas, is cautiously optimistic: "We have the potential, the resources and the contacts to be successful. But we also have all the problems faced by new businesses in the marketplace."

History

Modistas was organized by the staff of the Working Women's Community Centre in west-end Toronto, an organ-

ization that assists immigrant women. Many of the clients of the centre are Portuguese and Spanish immigrants with experience in the garment industry, usually quitting because they were no longer able to withstand the pressures of piecework. With funds from the Canadian Employment and Immi-

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Employees Purchase Eastern Division of Pocklington's Meat Processing Company

Pat Macleod

A group of management employees has formed a numbered corporation and have purchased the Eastern Division of Gainers Inc., formerly owned by western entrepreneur Peter Pocklington. According to Fred Russell, one of the employees who has invested in the new company, most of the money has come from bank loans.

All 496 employees will be offered shares in the company, including 260 in Toronto, 90 at Sodor Inc. in Quebec City and another 144 distribution employees in Quebec and the

Atlantic provinces. Although the final structure has yet to be determined it is intended that a 15-member board of directors will be responsible to the shareholders. Five directors with expertise in fields related to the operation would be drawn from outside the organization.

Bill Dainard, an employee-investor who has worked for Gainers (previously called Swifts) for over 17 years considers himself relatively new in the business, when compared with others who have been working there 40 years

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Democratic Management School Combines Theory and Practice

Donald Cole

More than thirty-five people came together in June for the Democratic Management School organized by the Grindstone Island Co-operative at its conference centre in Eastern Ontario.

Their goals were to learn concrete management skills, to discuss models of democratic management and to

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Modistas races against the clock

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gration Commission (CEIC), Modistas started as a custom dressmaking and alterations business. Linda Moffat was the project manager, and machine operators of Portuguese origin were employed. Linda had extensive experience in the garment industry as a pattern maker/designer and as a CUSO organizer of a garment co-op in rural Botswana. The operators were selected for their skill and their suitability for a co-op.

The grant from CEIC was used to train operators how to operate a self-sustaining custom dressmakers' co-op. This training included business and English language education. The business was very successful, with more orders than it could meet. There was only one problem: it couldn't make enough money to provide the co-op members with a decent living, even as prices increased to the market level. In short, custom dressmaking was not financially viable.

Because of its initial success, Modistas was approached by LEAP for further funding. After a careful feasibility study and market survey, it was funded to manufacture its own line of high quality garments with its own designer, Tamara Alexis. Their innovative designs—with the label 'Tamara Alexis for Modistas'—have proven very successful, and now in their second year of production, the company's name is becoming known. But cracking the retail market in ladies' garments requires more than unique design and high quality. Before purchasing and promoting a particular line, the large retail outlets want to be sure that a company has a stable future. Thus, new companies, like Modistas, trying to make it in this highly competitive industry, are at a disadvantage.

Moffat estimates that Modistas will require sales of \$350,000 at the end of its third year to break even. First year sales were \$50,000, and sales in the current year are projected at around \$200,000. The co-op's current year's expenditures are subsidized by \$140,000 from LEAP. With this subsidy running for only one more year, Modistas will be under incredible pressure to attain self-supporting sales. From the beginning, these business pressures have created intensive problems for the co-operative social organization of Modistas—problems which

will be exacerbated with the push toward financial self-sufficiency.

Co-operative Ideals and Business Realities:

Form of Incorporation

Like other worker-co-ops, Modistas decided to incorporate as a share capital corporation, with a shareholders' agreement that bears the features of a worker co-op. Each member holds a voting share with a par value of \$1. Only workers can be voting shareholders, although non-voting shares can be sold to outsiders to raise capital. When a member leaves, her voting share reverts to the company and she is reimbursed for \$1.

The decision to incorporate as a share capital corporation was primarily for business reasons: Modistas had to deal with suppliers concerned about their credit rating, and it didn't want the extra difficulty of an unusual form of incorporation. In addition, its prospects for raising outside capital in its fourth year (assuming sales were not at the break-even point) would be better as a share capital corporation than as a worker co-op.

Wages and Benefits

Modistas has attempted to balance the principles of equality and differential payment according to the market value of skills. Currently, the six production workers earn \$6 per hour, a lunch allowance, plus 10 per cent benefits for a 40-hour week (in line with the industry). The three front office staff earn salaries typical of their respective positions of salesperson, designer and manager. The ratio from highest to lowest is about 2 to 1. A dividend, if one is eventually declared, will be varied according to years of service only, but prior to declaring a dividend, the priority will be the improvement of salaries and benefits.

The decision to pay the manager according to the market, and then to pay other front office staff accord-

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ingly, was prompted by CEIC and LEAP and supported by the staff, who felt this was necessary in case the personnel changed. However, with the push toward financial self-sufficiency, Modistas may have to introduce some form of incentive or differential payment for the operators according to productivity. Systematic records of output also will be introduced.

All of these changes may create strains in the company's co-operative structure. However, the importance of increasing production will probably necessitate them.

Democratic Management

During Modistas' beginning as a custom dressmaking business, the production staff attained the skill and knowledge for self-management. The decision to become a manufacturer and the added pressure to increase sales has added to the complexity of the business, while reducing the time for education and discussion. According to Moffat, "There is more to communicate and less time to do it." The two production workers on the seven-person board of directors (three are consultants with specialized knowledge about the garment industry, and two are from the Working Women's Community Centre) have a "token role", because they lack the specialized knowledge for many of the decisions. As business pressure has increased, the demands on the manager have become so extreme that she has had to compromise on the co-op's weekly meetings. She is currently trying to develop a system of reporting so that, at minimum, the production staff will be aware of front office decisions.

Legally, the members of Modistas are workers in, and owners of, their means of production. But the production staff members think of themselves more as workers than as owners. When there is a conflict, the manager is expected to solve it. Although the manager does not have the same type of controlling function as managers in privately-owned companies, the lines of authority flow from management to workers—because functions have become specialized and knowledge for major production decisions is vested with management.

There are other reasons why the

Modistas' production staff thinks as workers more than owners. Unlike most owners, the staff did not make a capital contribution to their company, and they did not originate the idea of the company. Given the high risk of this enterprise and the workers' plight as unemployed immigrants, this is understandable. The question that must be posed is: Can the consciousness of the production staff be transformed to that of owners, especially as the company becomes more business like?

Modistas represents the embryo of a successful business and the embryo of a worker co-op. The growth of the two are not always in harmony. Moffat is justifiably clear about the priority: "The business must come first!" Whether the co-op can survive the push to success will have to be observed carefully.

A Concluding Note

Many years ago, as a teenager, I had to deliver a package to my father at the factory in which he cut dresses, in Toronto's garment district. Normally, he did not permit me to come there. The memory of that moment has never left me: the crushing heat, the deafening clatter from the machines, the dingy lighting, and the tension in my father's face when his boss shouted at him to hurry. It was the last time I had been in a garment factory until my visit to Modistas. By contrast, the atmosphere seemed unreal: the machinists looked relaxed as they worked in their spacious, brightly lit, well-ventilated, renovated factory. Towards the end of the day the daughter of one of the machinists arrived and chatted leisurely while she waited for her mother. Seeing that underlined the importance of the noble experiment that Modistas is attempting.

Employees Purchase

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or more. Bill, along with many other employees, was concerned about two changes in ownership in the past three years. For this reason, self-ownership was considered attractive to many.

The new company, which will continue to market the familiar Swifts Premium, Lazy Maple and Sugar Plum brands, will become the largest worker-owned and -operated company in Canada.

Pat Macleod is the newest member of

Worker Co-ops' co-ordinating committee. A member of a housing co-op, he brings valuable experience from that sector to his new role.

Management

Continued from page 1

share their struggles to make their workplaces more democratic. Participants from collectives, human service organizations, development education groups and co-operatives spent five intense days working on methods of implementing democratic management.

The resource people and organizers involved participants in a democratic planning process. Before the conference they circulated questionnaires on interest areas. A report on the findings was given on the first day and substantial rescheduling was done as issues developed.

Wes Hare, from Twin Streams Educational Center in North Carolina, started off with the BBC film on the Mondragon Co-operatives. He took the position that worker ownership must exist for democratic management not to be a sham. He drew on his experiences with worker owned businesses and co-operatives (bakery, printshop, garment factory, etc.) in rural communities of the Carolinas. A network of some community newspapers, a legal centre for community self-help, several progressive churches and Twin Streams is fostering the development of these businesses like "seeds of fire", according to Hare.

Despite enthusiastic support for Hare's work, some participants argued that a more democratically run organization is possible without worker ownership, particularly in human services. This issue of workers' control as ownership vs. participation led to a heated conflict resolution session.

To complement these theoretical discussions, small seminars were held on the nuts and bolts of budgeting, cash flow, fundraising, planning, and staff/board/volunteer relations. Most of us came away less intimidated and more confident in approaching this side of resource management.

Donald Cole is a doctor at York Community Services, a multi-service centre run by a community board. He has a longstanding interest in occupational health and safety and the "healthfulness" of democratic management.

BOOKS & ARTICLES

MONDRAGON An Economic Analysis by Henk Thomas & Chris Logan

Book Review

Mondragon: An Economic Analysis. Henk Thomas and Chris Logan, London: George Allen & Unwin, 1982. 218 pp. bibliography; HC cost: about \$30.00; Paperback edition expected

Since Mondragon became the Camelot of worker co-op proponents, we have awaited a rigorous analysis that would confirm or counter the claims made in the groundbreaking accounts of Robert Oakeshott and his associates. For this reason, this book has been looked on with great expectations.

The Institute of Social Studies, at The Hague, where Thomas is based, has carried out well-regarded studies of worker co-ops in several countries. Chris Logan speaks Basque, has considerable experience as an industrial consultant and has been a prime advisor to the Wales TUC on its worker co-op project.

Some of these expectations have clearly been met. The book contains historical material not previously available in English, and it provides considerable economic analysis, particularly on comparative performance and distribution of surplus.

The empirical investigation is divided into two streams—one on economic performance and one on the organization of Mondragon. The economic argument tries to cut two ways: to show that Mondragon is more efficient and profitable than capitalist

enterprises generally, and to assess the extent to which it satisfies the criteria of a self-managed economy.

The authors have little difficulty in showing that Mondragon's performance is superior to capitalist firms on the basis of several common indicators—greater investment, stronger export growth, greater value added and profitability, etc. Proponents are, however, not quite home free because of limitations inherent in the analysis. As the authors acknowledge, the information on private firms is "extremely weak", thus making comparisons difficult.

While the co-operative data is generally excellent, at times it was not possible to present it in a format that would facilitate comparisons. The difficulties with the data mean that most comparisons are restricted to several years in the earlier 1970s, and that even here the time series do not cover the same years in each case. Further, questions can be raised as to the legitimacy of comparing firms which have different objective functions. This said, I doubt many will want to argue with the direction of the argument or the conclusions; there will likely continue to be debate, sometimes worthwhile, as to how precisely Mondragon's edge should be calibrated.

At times Mondragon's strategy makes good comparison difficult or impossible. For example, at the time that Ulgor was hiving off units as new companies, its chief competitor was absorbing other firms. Thus, Ulgor appears to be shrinking while the other firm grows. If one looks at the group and at market share, one reaches exactly the opposite conclusions.

The book is a wealth of interesting and significant information: Ulgor is the 92nd largest firm in Spain; 90 percent of Mondragon activity is located in one of the four Basque provinces; in recent years, two dozen or more Mondragon co-ops earned a net loss, but there is considerable year-to-year variation in which of the co-ops lost money.

The other argument—the extent to which Mondragon meets the criteria for a self-managed economy—is necessarily both more theoretical and more speculative. Yet it is the more interesting and more significant part of the book. Among the criteria for a self-managed economy, Thomas and

Logan place labour *control* before worker *ownership*, but they conclude that Mondragon scores high on both counts and that there has been little degeneration over the first two decades.

An additional consideration is the adequacy of the mechanisms for accumulating and allocating capital; here they rate Mondragon "almost flawless".

As to the equity of the distribution process, the record is more mixed: Mondragon has been able to retain the 3:1 ratio for salaries which does introduce a strong element of leveling, but other practices are more regressive. All entrants, for example, pay the same toward their capital stake regardless of the income attached to their job. There are no women in the top three pay grades, and only half of one per cent in the next grade down.

The authors caution that conclusions must be tentative because Mondragon has been operating for less than a generation and because it is moving into an environment much less sheltered than Franco's Spain. Its growing reliance on exports and Spain's pending entry into the European Economic Community will further expose Mondragon to the dynamics of a turbulent international economy with multinational capitalist players.

In short, what has been is not a decisive argument for what will be. The authors do stress that Mondragon, at least, convincingly refutes the case of those who say that such a worker-controlled development is impossible to form or sustain.

The other major strand of the book concerns organization of Mondragon, both of the workplace and of the linkages among the almost 100 firms that comprise the group. The authors' main conclusion on work organization is that Mondragon differs little from other firms, except of course for the 3:1 maximum ratio on salary differentials. The authors note the dominance of the assembly line and the reluctance to move to alternate forms of work organization, even after the famous Ulgor strike of 1974.

Yet their contention that this is due to market constraints and existing technologies is not supported by the hundreds of effective work humanization programs in capitalist firms in the past two decades. Although Thomas and Logan do refer to a few experiments currently underway in Mon-

dragon, they do not report on the relationship which Mondragon has formed with the Work Research Institute in Oslo which has done much basic research and testing of alternative work designs.

One of the mysteries in the larger domain of industrial democratization is why worker co-operatives have been so slow to embrace proven research and concepts which alter the nature of the daily work experience. This part of the book does give us some information about Mondragon but displays only limited acquaintance with the research and literature on work redesign.

No one need be put off by the subtitle. The book contains none of the complex graphs and equations which are the economists's stock in trade. Neither is it jargon laden, although a book such as this which hopes to reach a much wider audience than professional economists would have benefited from occasional definition of unavoidable technical terms.

It is not memorable for its style which is rather listless, and often betrays which of the authors was the prime mover of a chapter. In all, the book is a decided advance over what we have had previously. But the definitive account of Mondragon remains an ideal, just as does Mondragon.

John Jordan

Tricofil, tel que vecu! by Paul-André Boucher et al., Montréal: Editions C.I.R.I.E.C., 1982, 372 pp.

What Manufrance and LIP are to France, Meriden Motor Works and the Scottish Daily News are to Great Britain, Tricofil is to Quebec and Canada: an epic saga of difficulties faced by failing firms which are converted to worker ownership to save jobs.

Paul-André Boucher was one of the main protagonists during Tricofil's brief eight year history (1974-82) as an experiment in worker ownership. Founded in 1916 in Saint-Jerôme, 30 miles north of Montreal, the textile mill subsequently became known as Regent Knitting Mills. Purchased in 1944 by an anglophone Montreal industrialist, RKM at that time provided employment for 1,300 workers. During the next thirty years labour relations went from bad to worse. Increasingly long and bitter strikes did little to improve the lot of mill

workers. When RKM suddenly closed its doors in 1974, the 450 remaining employees found themselves without a livelihood.

What followed the closedown during the next eight years is a tragic story of blood, sweat and tears, of dashed hopes and broken dreams, a play in which all actors except the ones holding centre stage, the mill's workers, ultimately emerge as incompetent at best and devious at worst. As in all forced conversions, the firm's workforce did not have enough time to either grow into its new role as owners or to secure adequate financing.

Although the old RKM was eventually converted into Tricofil, a properly constituted worker co-op, self-management did not have enough time to establish itself and the antagonism between workers and management remained. Tricofil became a highly visible political football during the P.Q. administration, which had an ideological commitment to making the Tricofil experiment work but failed to put its money where its mouth was. Particularly disappointing was the role played by two co-operative financial institutions, Société d'investissement Desjardins (the commercial investment arm of the Desjardins caisses populaires movement) and Société de développement coopératif. Both organizations acted as unusually hard-nosed investors and contributed substantially to Tricofil's demise by pulling out at a critical moment.

Boucher is an outspoken critic of Tricofil's external and internal enemies and doesn't mince words. The author's praise for friends is as warm as his criticism of enemies is cold.

Tricofil should be required reading for all those individuals who believe that forced conversions from private to co-operative ownership can work. Boucher's moving account covers every imaginable contingency (and some unimaginable ones as well). The book's length and the fact that it is written in French should not deter anybody with even a marginal interest in workplace democracy and worker ownership from tackling the job of reliving a capsule history of a co-operative epic.

Walter Schenkel

Walter Schenkel is a co-op developer and consultant to co-ops. He has a

long-standing interest in workplace democracy and in consumer co-ops and is currently working on a project to combine a worker and a consumer co-op. He can be contacted at #202-2548 154th St., Surrey, B.C. V4A 7B6, (604) 531-5997.

We Own It: Starting and Managing Co-ops, Collectives and Employee Owned Ventures, by P.J. Honigsberg, B. Kamoroff and J. Beatty, Bell Springs Publishing, Laytonville, California 1982; approximately \$11.00 p.b., 163 pp.

We Own It is an attractively designed, readable, optimistic book from the United States.

It describes in detail the variety of legal business structures available to co-operatives. After a very brief history of the co-operative movement, consumer, producer and worker co-operatives are discussed.

Actual sample articles of incorporation and by-laws are reprinted from several successful California co-ops begun in the 1970's.

The book is dynamic because it balances economic, legal and historical information with first person accounts. Here the stresses and joys of working co-operatively are documented.

The chapter on starting and operating a co-op is generally useful but the book ends with a state by state review of co-op law and a U.S. resource guide.

It makes one long for a Canadian book with identical structure.

Mary Lou Morgan has worked in the natural foods business for the last eight years. She and six others have organized a worker collective, raised the necessary money and are presently looking for a location in Toronto for a retail store. The readings were chosen to educate the group about co-operatives to enable them to write a shareholders' agreement and to anticipate future problems.

Recent Publications

The short list in this issue is more indicative of my bout with a respiratory illness, than the productivity of writers on worker co-operatives. As before, listed below are a variety of publications that might be of interest to our readers. If you are interested in

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reviewing any of them, please contact me at the address listed below. Wherever possible, we provide reviewers with complimentary copies from the publishers, but sometimes we have to loan out personal copies. If you have any items you think we should mention, please send me a description of the publication:

Paul Jones
167 Carlton St.
Toronto, Ontario
M5A 2K3
Telephone (416) 961-0114

Worker Capitalism: The New Industrial Relations, by Keith Bradley and Alan Gelb, The MIT Press and Heinemann Educational Books Ltd., 1983, 186 pp., £13.50 (hardcover) £5.50 (paper).

In this recent work two economists, Keith Bradley from the London School of Economics and Alan Gelb from the World Bank, argue that state-assisted worker buyouts of ailing plants can be a sound industrial policy to combat plant closures. Written in a clear prose readable by the non-economist (the graphs and algebraic formulae have been put in an appendix at the end of the book), the authors compare British and North American experiences, policies. They use short descriptions of cases such as Pioneer Chain Saw in Peterborough, and South Bend Lathe, Vermont Asbestos and Rath Pork Packing in the U.S. and longer discussions of Tembec in Temiscaming, the Scottish Daily News in the U.K., and the Manuwest furniture factory in France. This is a significant study and will hopefully soon be reviewed in this newsletter.

Mondragon Co-operatives — Myth or Model, edited by the Co-operatives Research Unit of The Open University, Walton Hill, Milton Keynes, MK7 6AA, U.K., 1982, 128 pp., \$5.00 (U.S.), includes postage and packing.

In 1981 the Co-operatives Research Unit gathered together a number of academics and practitioners, each with first hand experience of Mondragon, to catalogue and critically examine the different lessons that people were drawing from Mondragon. The result is this book. There are six lead speakers whose comments start a section: Roger Spear, Keith Bradley, Robert Oakeshott, Alan Oberman, Chris Logan, and Jack Eaton. Each speaker is followed by a

variety of discussants who raise a mix of basic and critical questions about Mondragon and its successes. When I met Roger Spear at the Grythyttan conference in Sweden he asked me to find a reviewer for this new work for the newsletter — so please let me know if you are interested.

The Industrial Co-operative Association, 249 Elm St., Somerville, MA 02144 U.S.A., has eighteen publications in print on worker co-operatives, as well as its annual report on its activities and the ICA Bulletin. A full description of the activities and publications of the ICA is a story in itself. The best I can do in this issue is to list some recent publications sent to me by David Ellerman, its staff economist. However, I can strongly recommend all ICA's publications, so write for a publications list. Four recent items are:

The Socialization of Entrepreneurship: The Empresarial Division of the Caja Laboral Popular, by David P. Ellerman, 1982, 53 pp. — a description and analytical study of the ability of the Mondragon movement to develop an entrepreneurial spirit in a collective structure.

Workers' Cooperatives: The Question of Legal Structure, by David Ellerman n.d. 18 pp., \$1.80 (U.S.) A non-technical explanation of the rationale behind the Mondragon/ICA model legal structure for workers' co-operatives.

Notes on the Co-op/ESOP Debate, by David P. Ellerman, June 1983, 19 pp. Employee Share Ownership Plans are the major alternative structures to worker co-operatives in the U.S. In this article Ellerman points out the traditional bias of ESOP's in favor of property rights.

The New Massachusetts Law for Worker Co-operatives: M.G.L. Chapter 157A, 1982. Based on the experience of the ICA, and with its assistance, the state of Massachusetts passed a law for "Employee Co-operative Corporations", one of the first in North America, and certainly the most comprehensive.

Effects of employment of hired labor on the functioning of kibbutz industry, by Uri Leviatan, published by the University of Haifa, Institute for Research and Study of The Kibbutz and The Cooperative Idea, 1983, 58 pp.

A short but interesting study of the arguments for and against maintaining hired labor (i.e., non-members) in

Israeli co-operative industries.

LETTERS

A Reader's Suggestions

I have read two issues and find them most fascinating. Of special interest to me are to articles dealing with co-operatives and the union movement. Some suggestions for the future are: a nuts and bolts analysis of particular co-ops, including how management and funding was achieved; development of a library of source material for readers.

I realize you must be operating on a shoestring now. Hopefully things will flourish!

Mr. B. Boyle
Kalmar Co-op
Scarboro

Tired of Mondragon

Frankly I'm tired of hearing about the wonders of Mondragon. Already the community economic development movement in Canada has become another academic plaything. The alienated middle class hold conferences on it, write papers, and go on study tours. They never *do* anything.

Compounding the problem is the belief that everything of value is either a long way away (Mondragon) or a long time ago (the Antigonish Movement).

The founder of Mondragon claims that the only way to learn about co-operatives is to work in co-operatives. We need to identify community economic development ventures in Canada, and develop an internship system for people who want to learn how they work — by getting their hands dirty, not by engaging in "objective" studies. As someone once said: "Objectivity is the ideology of the status quo." We need passion, commitment, engagement — at the working level, not just at the intellectual one.

Jim Lotz
Halifax, N.S.

A Well-deserved Compliment

Thank you for maintaining this valuable newsletter

Hilda Tiessen
Toronto

Worker Co-ops welcomes letters from its readers. We reserve the right to edit all contributions, but will make every effort to preserve the correspondent's viewpoint.

OPINION

Education and Worker Co-ops A Jump-Off Point

Jack Quarter

The importance of education to a worker co-operative development strategy is widely recognized. Mondragon evolved from a community-based technical school and the Israeli kibbutzim were stimulated by a highly ideological youth movement in Europe. By contrast, Canada lacks the tradition and educational encouragement for worker co-ops, and consequently, business persons seldom consider this model as an organizational form.

Recognizing the need for a worker co-op educational emphasis is but a first step. Knowing how it's to be done is the more formidable task. Canada's school system is very bureaucratized, and balkanized within ten provincial jurisdictions — each with rigid specifications. Even if a teacher is interested in a co-op emphasis, integrating it within the provincial guidelines can be problematic, particularly if administrative support is not forthcoming.

Stimulated by the resource materials developed by the Co-operative College of Canada and the co-operative kit available from Co-op Atlantic, the co-op idea is seeping into the school curriculum — slowly, and with very little information about worker co-ops.

Then, too, there is the question as to whether the academic approach is the best way of encouraging working co-ops. In the lead story of *Worker Co-ops* (June 1983), Robert Oakeshott cites Fr. Arizmendiarieta in arguing for practical experience in worker co-ops as the best type of education. I, too, had drawn a similar conclusion since studying the education of youth on the Israeli kibbutzim.

Quite coincidentally, a few days after the Oakeshott article appeared in the newsletter, I gave a presentation on worker co-ops to the Ontario Co-operative Education Association. Co-operative education — a relatively new innovation in Canada — refers to a co-operative relationship between school and business which permits students to gain work experience in

supervised work settings, while completing their academic studies. To my surprise, I found that there was a genuine interest in having worker co-ops and other co-op settings serve as placements. With the encouragement of two colleagues at the Ontario Institute for Studies in Education in Toronto — Jeff Piker and Roger Simon — who research co-op education, I have set out to compile a directory of possible placements. Since there is a limited number of worker co-ops in Ontario, we have decided to use a functional definition — settings with shared ownership and management — rather than legal criteria (the form of incorporation). In addition, other co-operative settings — consumer, housing and some credit unions — with work placements could be included.

After grappling with the formidable problem of introducing the worker co-op concept into the mainstream of the school system for the past two years, I am hopeful that this strategy can produce some useful results. It would provide first hand co-op experience for students who would otherwise be unfamiliar with co-operative work practice. Moreover, if a sufficient number of students entered into co-op placements, it would create an incentive for academic courses about co-ops or units in existing courses such as 'Man and Society' and for commercial publishers to enter into this market. As a first step, the directory of placements will include basic information to assist teachers in explaining the concept to students.

The success of this initiative will depend, in part, upon the willingness of co-op organizations to create work placements for students. The rules regarding these placements vary according to the individual school board, but in general the requirements involve an introductory work experience that is associated with a school course. For example, students studying English in a co-op education programme will require a work placement with some associated training, e.g., proofreading.

As a rule, the definition of appropriate placements is not overly restrictive; however, there is the concern that the student's experience will be useful, when he or she eventually applies for a full-time job. (It is not expected that the work placement will lead to a full-time job.) Most school boards do not require payment to

their students, although some insist on an honoraria.

If you desire more information or if your organization has a definite interest in serving as a placement, please contact me at:

Ontario Institute for Studies in Education

Applied Psychology Department

252 Bloor St. West

Toronto, Ontario

M5S 1V6

Tel. (416)923-6641 Ext. 576

Co-operators in other provinces might also check whether the co-operative education programmes would be interested in a similar arrangement in their jurisdiction. If so, I would be interested in hearing from you.

NEWS & NOTES

In his classic study of revolution, Crane Brinton wrote: "... revolutions grow from seeds sown by men who want change, and these men do a lot of skillful gardening; but the gardeners are not working against nature, but rather in soil propitious to their work." The types of revolutions Brinton analyzed were different than that intended by the budding worker co-operative movement, but to extend his metaphor, signs of gardeners are emerging throughout the nation in the form of resource groups which are preparing to work in ground made fertile by the ineffectiveness of traditional economic policies in reducing unacceptably high levels of unemployment.

Vancouver

From an initial meeting of 40 people, a steering committee has been formed to work on incorporation of a worker co-op resource group, by-laws and sources of funding. This group comprises a cross-section of co-operative experience, including people from worker co-operatives, the housing and food sectors and credit unions. Contact people are **Keith Jardine** of the B.C. Credit Union Central and **Jack Khouri** of Inner City Housing, 1954 West 6th Avenue, Vancouver, B.C. V6J 1R7 at (604) 734-8282.

Saint John, New Brunswick

CORE — Co-operative Resources for Employment — has been formed

by the Harbour City Credit Union with funding from the federal department of Employment and Immigration to combat unemployment through the development of worker co-ops. CORE services to developing co-ops include co-ordination, market planning, training and administrative organization. Contact persons are **Ron Doucat** or **Dave Carrington** at CORE, 3rd Floor, City Market, 47 Charlotte St., Saint John, N.B. E2L 2H8.

Edmonton

Two meetings have been held in Edmonton by a group interested in the development of worker co-operatives. A day-long seminar will take place in the fall and will include representatives from credit unions and employment centres. *Communitas*, a local housing resource group, will act as a repository for materials on worker co-operatives. Discussions are presently taking place between *Communitas* and the University of Alberta for the preparation of a bibliography.

Contact persons are **Hayden Roberts** at the Extension Department at the University of Alberta, Edmonton, and **Joan Swain** of *Communitas*, 10551-123 Street, Edmonton, T5N 1N9, at (403) 482-5467.

Antigonish, Nova Scotia

An application for funding for a Co-operative Development Institute serving primarily worker co-operatives has been submitted by the Extension Department, St. Francis Xavier University, to the provincial and federal governments.

Discussions have been taking place since last fall and a decision is expected shortly. The Extension Department presently funds **Terry Hanlon**, a field worker in the Guysborough-Canso area, who is providing technical support to local worker co-operatives (bakeries, furniture making and boat building). Contact person is: **Duncan MacIntyre**, St. Francis Xavier University, Extension Dept., Antigonish, Nova Scotia. (902) 867-2208.

Toronto

Co-operative Work, a resource group for the development of worker co-operatives, has just applied for incorporation. A non-profit foundation with congruent membership will raise funds for the resource group. It is anticipated that initial consulting

work can begin by year's end.

Contact person: **Mark Goldblatt**, 23 George Street S., Toronto M5A 4B1. (416) 593-1641; **Brian Iler**, 136 Simcoe Street, Suite 201, Toronto M5H 3G4. (416) 598-0103.

Elsewhere

If you are thinking of forming a resource group to develop worker co-ops, but for one reason or another are unwilling to take the leap, please be reminded of the timely advice of **Samuel Johnson** currently residing at Westminster Abbey, London, England:

"Nothing will ever be attempted if all possible objections must first be overcome."

CRPO, the Co-operative Resources Pool of Ontario, has been incorporated and is proceeding with plans to meet venture capital needs in the co-operative sector. For information, contact **Brian Iler**, 136 Simcoe Street, Suite 201, Toronto M5H 3G4, (416) 598-0103.

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Ready at last is *Co-operative Outlooks*, the resource manual on co-operatives for secondary schools, which has been produced by the Co-operative College of Canada, 141-105th Street West, Saskatoon, Sask., S7N 1N3, (306) 373-0474. Originally developed in Manitoba, the revised manual is designed to assist secondary school teachers in organizing lessons about co-ops. Also available is *Co-operative and Community Life*, a resource manual for elementary school teachers.

Paul Jones has written a very readable paper on worker co-op law. Copies can be obtained by writing Paul at 167 Carlton St., Toronto.

National Co-op Week is October 17-22. Check for events in your area.

Worker Co-ops thanks **Karen McMillan** — our able sleuth — for her assistance in the preparation of these announcements. Send announcements for the December issue (copy deadline — October 20th) to *Worker Co-ops*, 253 Willow Ave., Toronto M4E 3K6.