

# WORKER CO-OPS

VOLUME 1, NUMBER 4

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## EUROPEAN CONFERENCE OBSERVES WORKERS' CO-OP TYPES

Early this summer, 48 researchers from a dozen countries met in Denmark to trade notes (literally!) on worker co-ops and their significance for the issues of the 1980s. The conference was organized by a research team at the Copenhagen Business School.

All participants were required to report on their current research interests. However, no papers were read aloud. Instead, day-long small-group meetings discussed specific themes-- internal dynamics, job saving and regional development, economic performance, relations with trade unions and the state. In the evening, there was a presentation on a Danish co-op that includes a daily newspaper with a staff of 150. The paper sells 35,000 copies, making it one of the ten largest in Denmark.

As might be expected, virtually all those attending the conference were advocates of worker co-op development. What they meant by worker co-ops, however, varied enormously. The discussion revealed the classic ambiguity between co-ops as instruments of socialist transformation and as capitalist correctives. Beyond this, one group saw co-ops as productive, self-sufficient, total communities that protect their members from the endemic insanity of life under the certainty of nuclear mishap (civil or military) or other technological disaster.

Several consistent types of worker co-ops were identified, at least in Scandi-

navia, Britain and North America.

A. *New ventures created by the unemployed, usually with government job creation funds.* They tend to be in services (e.g., building cleaning) or piecework/contract manufacturing (e.g., dressmaking). Lacking experience and management, they rarely outlive funding.

B. *New ventures created by the young, educated middle class.* These groups are interested more in quality of (work) life than high salaries or long-term survival. Most tend not to be highly politicized and survival is very much a function of will.

C. *Defensive takeovers by those about to become unemployed.* The organization may be worker owned or under mixed ownership of management, workers and community interests. Birth in crisis often means there is no shared vision for the longer term and the interests of different stakeholders may diverge.

D. *Conversions or new firms founded by those with a commitment to democratic enterprise, with roughly equal attention to both terms.* Such a business tends to be more conventional in operation and management and often occurs in more sophisticated industries.

Our feelings on leaving this conference suggest that the resolution of the International Co-operative Alliance making worker co-op development one of four priorities for the rest of the century merely reflects what is an "idea in good currency" in many countries.

John Jordan

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FLASH! TO ALL SOON-TO-BE PUBLISHED AUTHORS

1. Please print, write or type your material legibly and double-spaced. The editor's eyesight is an endangered species. Sometimes also her good nature!
2. GENERAL ARTICLES should normally be no longer than about 350 words. However, we are flexible. Illustrations (tables, graphs and photographs) will be enthusiastically received.
3. NEWS ITEMS should be brief. Like this. Well, maybe a little longer.
4. REVIEWS of appropriate books and articles are welcomed. Please include both factual information about the contents and your judgments of the contents, point-of-view, tone, etc. It is also valuable to have negative (but not vitriolic)

- reviews of duds.
- 5. REPORTS ON MEETINGS. Remember that effective meetings tend to be short and, since the columns of our newsletter are narrow, reports on meetings should also be relatively short. But filled with personality, action, evidence of progress!
- 6. CONTACTS. If you are new to Worker Co-ops, tell us about yourselves. Or, find a friend who will.
- 7. LETTERS TO THE EDITOR. You know the usual thing. Please keep the invective within bounds.
- 8. Finally, when you have written something to go into our newsletter or have an idea you think could or should be developed, please send it to:

CARLA SALVADOR,  
 1012-31 ALEXANDER ST.,  
 TORONTO, ONTARIO  
 M4Y 1B2

If you prefer, telephone me at (416) 960-1925 evenings or weekends.

Worker Co-ops is the newsletter of the Worker-owned Co-operatives Committee of the Co-operative Future Directions Project (CFDP), 5th Floor, Scott Library, York University, 4700 Keele St., Downsview, Ontario M3J 1P3.

The opinions expressed in Worker Co-ops are those of the authors.

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## ANALYSIS OF CANADIAN CO-OP LAW WILL EASE DEVELOPMENT OF WORKER CO-OP MODELS

*The Law of Canadian Co-operatives.* Daniel Ish. Carswell Legal Publishers, Agincourt, 1981, 294 pp. (\$36.00)

A key part of any proposed model for worker-owned co-operatives in Canada is a legal structure. Daniel Ish, who teaches in the College of Law at the University of Saskatchewan, has analyzed the principles of Canadian corporation law that apply to co-operatives and the variations that are unique to co-operatives. He compares legislation from four jurisdictions: Saskatchewan (typical of the memorandum-type corporation law used in most provinces), Manitoba and Ontario (new acts with new approaches) and the federal government (Canada Cooperative Associations Act, which applies throughout the country). Naturally, many of the cases cited involve agricultural co-ops.

Ish has patterned his text after the standard *Canadian Business Corporations* by Iacobucci, Pilkington and Prichard. This allows him, where necessary, to explore the implications of corporation law as they apply to co-operatives. For directors and members of Canadian co-operatives, this feature makes the text a good guide to the full extent of their obligations under the existing legal structure.

Current legislation, developed primarily for agricultural and consumer co-ops, has created as many problems as it has solved for worker co-ops. However, in Quebec, worker co-ops will soon be able to help write the

legislation that governs them. The allocation of undivided earnings into general reserve funds as protection against unforeseen losses is an example. Previously, it was argued that since co-ops were formed to provide services at cost, any surplus funds belonged to the members, not the co-op. Therefore, a co-op could not have any reserve (p. 74); also, it need not pay any income tax. However, more recent legislation, e.g., Ontario Co-operative Corporations Act 1973 sec. 54(a), allows co-ops to set aside reserve funds. In France and Spain reserves are not only mandatory but minimum percentages are set.

Another potential problem for worker co-ops is the common law provision that directors must act in the best interests of the corporation. According to a recent decision (1976), "the interests of the consumers of a company's products, the nation as a whole, and even (at present) the employees are legally irrelevant" (p. 115). Essentially, profit maximization is the main focus of corporate case law and co-operative corporation acts in

Paul Jones, the Co-ordinator of the Worker Co-ops analysis committee, came originally from British Columbia. He has worked in developing housing co-ops for the Labour Movement and in various management capacities for credit unions. He is now a first year law student at the University of Toronto.

Canada appear to be quiet on the question. The Spanish law under which the Mondragon group operates provides that all co-operatives must contribute at least 10% of their net profits to education and social projects in their communities. Presumably, worker co-ops could remedy this fault in co-operative law by making clear statements of their purposes in their objects of incorporation.

These are only two examples of questions raised by Ish's text. For those who work in a co-op, who contemplate setting one up or who simply are interested in co-op models, reading *The Law of Canadian Co-operatives* is essential to understanding the existing laws and to designing new ones.

Paul Jones

## QUEBEC CO-OP MOVEMENT KEEPS MOVING ON!

On June 29, 1981, Le Conseil de la Coopération du Québec, Les Editions Solidarité Inc. and Le Journal Ensemble! moved to:

2872 Boul. Laurier, 6e étage,  
Sainte-Foy, Québec  
G1V 2M2  
Tel. (418) 659-4603.

*Ensemble!* is the bimonthly newspaper that tells you practically everything you need to know about co-ops in Quebec--if you read French. If you don't read French, keep watching these pages.

## TRICOFIL CLOSES OLD MILL, PLANS TO BUILD NEW ONE

La Société populaire Tricofil, formed in 1975 by Tricofil's textile workers to buy their mill, closed that mill this summer. Under a new corporate organization called *la Coopérative des tisserands*, Tricofil hopes to build a new mill in St. Jérôme, starting next spring.

Rising costs, particularly for energy, and declining prices led to the forecast of a deficit for this year. Net income for the year ending in February 1981 was only \$26,000, compared with \$218,000 for 1979-80. Sales had increased slightly to \$3.8 million.

About 25 employees will continue to work at the mill and Pinatel, a second operation bought by Tricofil last winter (see *Worker Co-ops*, June 1981), will not be affected. Pinatel is now almost making a profit.

Now that the feasibility study is complete, Tricofil is seeking financing for the new mill. It will have significantly lower energy costs and will employ about 75 workers. The old building will be demolished and the land sold (*Le Devoir*, le 13 avril 1981).

Paul Jones

## QUEBEC WORKERS SAY NO TO WORKER-OWNERSHIP!

According to *Le Devoir* (le 25 juin 1981) the employees of the department store chain Paquet-Le Syndicat have refused to participate financially in the reorganization of the corporation. They rejected, by a vote of 100 to 48, a plan authorizing their union to borrow \$500 per employee to purchase shares in Paquet. A union organizer reports that this rejection could mean the closing of four stores immediately and some other branches in Place Laurier in the fall.

Paquet-Le Syndicat is behind in its payments to the Fédération des caisses d'entraide économique, a co-operative financial institution that makes loans to small business. As a result, the Fédération has had to set up a \$1.1 million allowance for this doubtful loan. This and other bad loans have forced les caisses to make a massive financial reorganization that may see them become a private lending agency.

capital in co-operatives," and \$7000 to J.-P. Deslauriers (Université de Sherbrooke) to consider "New co-operatives and social change" (*ensemble!* le 21 août 1981, p. 6).

## SELF MANAGEMENT AND CO-OP COURSE AVAILABLE

The anthropology department at Laval University is offering an autumn course on "Self-management and Co-operation." The objective of the course is to develop a critical knowledge of self management and co-operation and how these movements become established within actual social organizations.

After reviewing the birth of these movements in the west, the course will look at the particular form they have taken in Quebec and the place they occupy in both capitalist and socialist organizations, in both mainstream corporations and small collective workplaces. (*ensemble!* le 21 août 1981, p. 16).

## QUEBEC GRANTS TO HELP WORKER CO-OP RESEARCH

The Quebec ministries of Education and Financial Institutions and Co-operatives have granted \$105,000 for research on co-operation. Included are two grants for investigation of workers' co-ops.

At the well known École des Hautes Études Commerciales, Benoit Tremblay received \$11,000 for a project to "Construct an analytical grid of favourable strategies for the development of production and worker co-operatives," and Claude Guérard received \$16,000 for a study on the "Impact of interest rates on viability and development of consumer co-operatives and worker and production co-operatives."

Also of interest are grants of \$8000 to Michel Bellay (Université du Québec à Chicoutimi) to study "The capacity to generate risk

"La solidarité peut tout redresser." (Jean-Paul Legare, on the solution to the problems of *les caisses d'entraide économique.*) (*ensemble!* le 19 juin 1981, p. 4).

## THORNLEY ANALYZES BRITISH WORKER CO-OPS

*Workers' Co-operatives: Jobs and Dreams.* Jenny Thornley. Heinemann Educational Books, London, 1981 (£14.50)

Jenny Thornley has been studying worker co-operatives for the better part of a decade, initially based at the Centre for Environmental Studies in London, and more recently at the Co-operatives Research Unit of The Open University. Her new book consists largely of a description of recent British worker co-operative experience. To this is appended a rather briefer and comparative report of experience in France and Italy.

Although Thornley is plainly committed to the desirability of worker co-operatives, her account differs from many others, including that of Robert Oakshott. It is less a tract on behalf of than an enquiry into recent events and what they tell us about the prospects and necessary conditions for worker co-operatives to flourish more abundantly.

The book contains a good account of the various groups and interests that have recently been promoting worker co-ops in Britain. Thornley relates these groups

to both their class and their political perspective, and shows how these systematically relate to the type of worker co-operatives that are developed. She also has interesting chapters on financing, management and products, as well as the fit between various government programs and the initiation of worker co-operatives.

John Jordan

## CCQ SEEKS TO DEFINE WORKER CO-OPS

The board of directors of the Conseil de la Coopération du Québec (CCQ) has established a committee to clarify the concepts of co-operative, community and collective enterprises. The Committee will clearly identify the criteria in the objectives and operations that distinguish among these types of business. The CCQ will then use the new definitions to identify the true co-ops among the new production and industrial organizations (*ensemble! le 19 juin 1981*).

The need for a clear definition of a worker co-op is a growing problem throughout Canada. As Ish noted in *The Law of Canadian Co-operatives*, no co-op laws in Canada attempt an exhaustive definition of a co-op and some acts differ considerably from the Rochdale principles. For example, proxy votes are allowed and one person may have more than one vote in Manitoba.

Paul Jones

## CFDP CONGRESS PLANNED FOR JUNE

Planning for the Congress that will mark the official end of the CFDP next summer has begun. These meetings, to be held in Ottawa June 14-18, will enable participants to reach some conclusions about the future of the co-op movement in Canada and the specific areas they have been analyzing.

Employee involvement in co-operatives will be the subject of one 50-minute information session on Monday, according to Rosemary Thompson, CFDP Administrative Assistant. This session will be repeated three times during the day to ensure that anyone who is interested can attend. (Just think, if you go all three times you will have the most impressive questions by the end!)

Rosemary points out that Friday, the last day of the Congress, has been set aside for interest groups to meet and plan strategies to continue their activities after the termination of the Project.

The registration fee of \$300 will include the costs of all papers and reports, two receptions and three lunches. If you are interested in attending the Congress plan to make your application by December 15. You will be receiving more information about the Congress from the Project office soon.

John Jordan is the Research Director of CFDP and on the Editorial Board of *Worker Co-ops*. He has worked in housing co-ops and was a Vice-President of the Co-operators Insurance and a member of a workers co-op. He now teaches in the Faculty of Environmental Studies at York University in Toronto.

## FOUNDED TO PRESERVE COMMUNITY, JAL NOW TAKES ON NEW LOCAL DEVELOPMENT

*The articles appearing on the following three pages were researched and written by Bob Schutte. They represent some of the latest information available in English on the JAL co-op, which began as the response of a community to economic, social and political pressure and has grown to become the centre of that community. Some people will see in JAL similarities to developments in Mediaeval France; others may see resemblances to the Caja Laboral Popular of the Mondragon Movement in modern Spain.*

La Co-opérative du JAL is the people of St. Juste, Auclair and Lejeune (JAL). These people have wrung a meagre living from the land and forest since the great depression but recently they have also been battling what they see as a conspiracy of government and business to move them out. In 1973 they responded by taking community economic development into their own hands.

Now the co-op these people formed has an extensive forestry operation, the largest seed potato business and essential oils factory in Quebec, a radio station (CJAL, of course), nearly the largest maple syrup producer in the province and

other community-based projects. The backwoods co-op is a force to be reckoned with in Eastern Quebec. It also represents a new form of economic democracy, a partnership between the community and its workers in which ownership and management of the means of production are shared.

As factories were closed in the 1930's, unemployed workers in Quebec were urged to colonize the interior. Some went to open up new parishes in Eastern Quebec. After World War II their number was increased by newly unemployed soldiers. Together they survived, but

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## RELATIONSHIPS OF PROJECTS TO JAL DEPEND ON CIRCUMSTANCES: EVERY CASE DIFFERS

Because the projects of JAL have evolved pragmatically in response to local needs and using local resources, they do not bear a uniform relationship to the community development co-op. The forestry project, for example, began as an ordinary company with the financial participation of JAL. By 1979 it had 75 workers and was being reincorporated as a workers' co-op, with special provisions for the many nonworker woodlot owners originally involved in the collective.

The seed potato project was initially financed in 1974 by \$30,000 raised on the basis of preferred shares in the JAL co-op. These shares were taken up by 400 members of the community. By 1979, the project had five full-

time and 50 part-time workers, two large potato cellars worth \$200,000, equipment and a dozen good fields. A means of giving management control to the workers that would also recognize the debt to the community had yet to be worked out.

A form of economic democracy appears to be emerging in which the community and the workers are equal partners. The maple syrup project shows this most clearly. A later development of JAL, after three years of operation it counted nine full-time workers and discussion centred on its future relationship with the co-op. The proposal most recently reported would incorporate an ordinary company to own the facility and a worker co-op to run it and repre-

sent the workers. Voting shares in the ordinary company would be split 50-50 between JAL and the workers' co-op. The shares would be held collectively by the two co-ops to preclude the possibility of alienating ownership through buying and selling of shares. The management committee of the company would have three representatives each from JAL and the workers' co-op. Any unresolvable voting deadlocks would be referred to a general assembly of JAL to be decided by the whole community.

The interposition of an ordinary company is necessitated by the inadequacy of co-op legislation in Quebec and the hostility of the official co-op movement (see *JAL Projects Prosper Without Official Approval* on page 8).

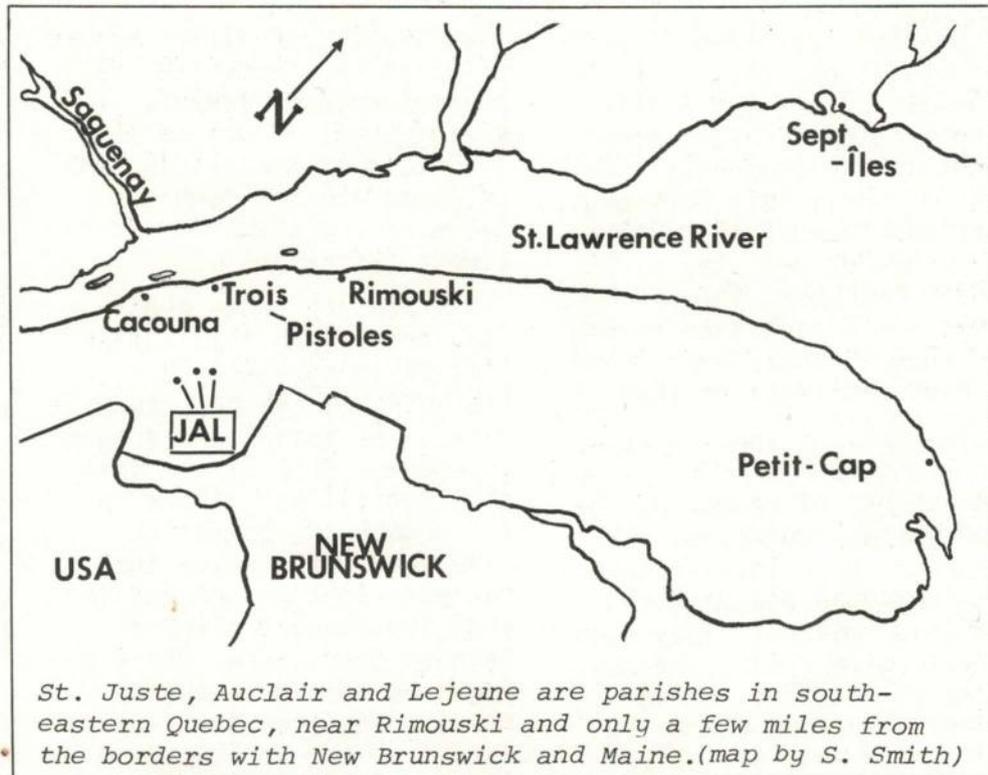
## JAL

powerful business interests were pressing the government to rationalize agriculture and forestry in the hinterland of Quebec.

In 1966, government planners declared 87 parishes marginal or submarginal, to be vacated by their uneconomic and once again unneeded farmers and forest workers.

According to the JAL workers, "this...responded to a fundamental capitalist criterion: that of profitability.... It was this same criterion that, at the time of the great depression, [forced the colonization. Capitalism] sent us to colonize the hinterland because it had no more need of our hands for its city factories." A quiet economic strangulation began: farm credit dried up, gasoline cost 10% more than elsewhere in the province, roads were no longer repaired and government services of all kinds were difficult to obtain. By 1970, ten parishes in that region were closed. Villages were bulldozed and access roads cut. The land was given over to reforestation for profit and most of the displaced people to welfare subsistence.

Bob Schutte is an active member of the Worker Co-ops analysis committee. He has been involved in housing co-ops and lives in a co-operative house that he helped establish in 1973. Bob has worked as a programming analyst and is now a self-employed consultant programmer. He has also visited and written about Mondragon.



Throughout the winter of 1972-73, the people of St. Juste, Auclair and Lejeune debated their future. Forty-one local men committed their woodlots to a collective forestry project. Over 200 people from the three bush parishes met for 60 hours of discussion under an inter-parish committee with a community facilitator from Laval. They planned the forestry project and considered a general economic development co-op for the area.

By fall 1973 the forestry project was officially rejected and all government ministries concerned with the interior suddenly declared the three parishes uneconomic.

On October 1, 1973, 600 local people confronted Quebec government representatives in an angry, rebellious townhall meeting. They forced the officials to agree to keep the parishes open. The next day, the government announced its re-

treat: the local forestry project could proceed. At this moment the people of these backwoods parishes felt they had become the co-operative they now call "Le JAL." About one year later "La Co-opérative de Développement Agro-forestier du Témiscouata" was officially incorporated as a community development co-op.

Membership in the JAL co-op is open to all residents of the three parishes. At the time of incorporation the parishes contained about 400 families, from which nearly 300 persons took up membership shares. Voting rights are contingent upon this concrete expression of interest in participation. The management committee consists of 12 persons, three elected from each of the four geographical areas into which the parishes have been divided.

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In its first five years of operation, the co-op has invested about \$1¼ million and created 125 full-time jobs in the community. Men who formerly left for long periods to work in Maine or Labrador now stay with their families. The families that would have been forced to abandon their homes have stayed and repaired them.

The goal of the JAL co-op is integrated development and management of resources for the whole population. The co-op aims to involve the community in planning and decision-making. They also try to give projects a measure of autonomy, while preserving some community ownership and collective power. JAL is not interested in fostering private enterprises for the benefit of their owners alone, even if the owners are worker co-ops.

They avoid competition among projects and recognize the pre-eminence of labour, giving equal weight to the interests of workers in the projects and representatives of the community in common assemblies.

JAL appears to be evolving towards an institution similar in purpose and financing to the *Caja Laboral Popular* of Spain's Mondragon Movement. Much of the initial capital was raised in the community, but after five years of passing the hat and fighting the government for funding without onerous conditions, JAL has begun to consider other means. One proposal is to establish an economic development fund, consisting of the savings of individuals, part of the surplus from projects and, possibly, a levy on the salaries of workers in JAL projects.

## JAL PROJECTS PROSPER WITHOUT OFFICIAL APPROVAL

JAL has several times rejected generous financial help from the government and the co-operative movement of the province (La Société de Développement Coopératif du Québec). These grants could not have been accepted unless some projects became completely independent of JAL. For example, a grant of \$50,000 was refused because it carried the condition that the seed potato project become totally independent.

Such offers are seen as harbouring an essentially capitalist requirement that money be rationalized in terms of economic return on investment in autonomous enterprises. The people who are JAL prefer to see life and livelihood in their community as their return on investment.

Furthermore, the official co-op movement has repeatedly advised the government of Quebec against granting incorporated status to workers' co-ops, in which both work and ownership are collective. The maple syrup facility, the community radio and the essential oils factory have all been denied incorporation as co-ops. Unlike producers' co-ops of individual artisans, cabdrivers, fishermen or farmers, workers' co-ops with collectivized work and ownership are unfamiliar and perhaps vaguely threatening. Certainly, they could be seen as a challenge to the private property values and work organization that capitalism takes for granted.

### SOURCES

Robert Carrier, "La coopérative du JAL: des rapports nouveaux entre la population et les travailleurs," *Possibles* Vol. 3 (3/4) Spring/Summer 1979, pp. 225-241.

"Une opération-dignité: cinq années d'attestation contestataire dans l'expérience du JAL, 1973-1978," *Archives de Science Sociales de la Co-opération et du Développement* Vol. 47 (Jan.-Mar.) 1979.

I. JAL Workers Collective, "Le JAL par ses travailleurs," pp. 127-136.

II. Robert Carrier, "Un projet autogestionnaire: La coopérative du JAL," pp. 137-151.

### OTHER INFORMATION

Gabriel Gagnon, "Le JAL, ou Quand l'autogestion trouve la clef des champs." *Possibles* Vol. 3 (3/4) Spring/Summer 1979, pp. 218-223.

Carmen Quintin, "Paroles de femmes...du JAL," *Possibles* Vol. 3 (3/4) Spring/Summer 1979, pp. 243-272.

These articles were retrieved through the Co-operative Information Retrieval Service of Agriculture Canada (COINS Database).

Quotations are translated by Bob Schutte from the article by the JAL workers (*Archives...* Vol. 47, pp. 127-136, 1979).

## TEN CO-OPS MAKE THE TOP 400 INDUSTRIAL LISTING

Co-operatives and partly or wholly employee-owned businesses are well represented among the *Financial Post's* top 400 industrials in Canada (June 1981, pp. 74-101). This authoritative ranking, based on sales, includes ten co-ops and six employee-owned organizations.

Half the co-ops are associated with western grain production (Saskatchewan Wheat Pool, United Grain Growers, Federated Co-operatives, Alberta Wheat Pool and Manitoba Pool Elevators) but the employee-owned businesses have a wider range of products (Silverwood Dairy, PCL Construction) and geographical locations (Quebec, Alberta and Ontario).

Co-ops and employee-owned businesses represent 9% of the 183 industrials in the listing that are wholly Canadian-owned. In comparison, only 6% are owned by members of the general public (e.g., Bell Canada, Stelco), 10% by provincial governments (e.g., Ontario Hydro) and 5% by the federal government (e.g., Canadian National Railway).

All co-ops appeared much lower in the ranks of assets and somewhat lower in net income than in sales. This indicates that, for their assets, co-ops have relatively high net incomes and very high sales. Most government businesses were ranked higher

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## Co-ops and Employee-owned Industrials in the Top 100 (by Sales) for 1979-80

Name & Head Office	Sales (Rank)	Assets (Rank)	Net Income (Rank)	No. of Employees
Saskatchewan Wheat Pool (Regina)	39	106	60	4300
United Grain Growers (Winnipeg)	49	146	137	1907
Federated Co-operatives Ltd (Saskatoon)	57	151	85	16100
Alberta Wheat Pool (Calgary)	68	130	95	1975
Cooperative Federée de Québec (Montreal)	73	176	176	3100
PCL Construction Ltd (Edmonton)*	99	no information given		

\*PCL employees 85%, Great West Life 15%

in assets and, sometimes, net income than in sales.

Worker co-ops are not yet a major force in Canadian business. However, both co-operative- and worker-

owned enterprises are seen among the largest and most productive industrials in the country.

Carla Salvador

## HELP! KNOW ANY FILM BUFFS?

The press kit on the BBC film *The Mondragon Experiment* is now available from the Film Committee of the CFDP Workers' Co-ops Analysis Committee. Next, we need your help to distribute the kit as a first step towards showing our copy of the film.

Specifically, the committee needs:

- names of organizations and contact people willing to screen the film for their members/workers;
- volunteers to take the film or videotape to previewing meetings;

-more people to work on the Toronto film distribution committee.

Later it will be necessary to have:

- feedback about the film and how it was received;
- published reviews of the film for inclusion in the kit.

If you can't resist this opportunity to see Mondragon in the flesh, write Bob Schutte, Co-ordinator of the Film Committee, c/o CFDP or the editor.

Remember: the film is free!

## LAFLAMME URGES HUMANISM ON QUEBEC ENTREPRENEURS

*Expériences de Démocratie Industrielle: vers un nouveau contrat social.* Marcel Laflamme. Les Editions du Jour, Montréal, 1980, 276 pp. (\$9.00)

Marcel Laflamme is the director of IRECUS (l'Institut de recherche et d'enseignement pour les co-opératives de l'Université de Sherbrooke), which is a major contributor to academic research on co-operatives in Quebec. He has previously written five studies on work organization systems. Considering his background, I expected more than I got from this, his latest publication.

Writing, presumably, for the Quebec market, Laflamme reviews co-operative experiences overseas (Germany, Japan, Israel and Yugoslavia), in North America (e.g., debureaucratization, management by objectives) and in Quebec (e.g., the co-operative model, worker or community control as in Tricofil and Harvey Transport). From a Francophone perspective, the book is a useful compilation of material that is scattered in diverse sources, available only in English or

(in the case of the Quebec experiences) not often written about. From an Anglophone perspective, the 70 pages on Quebec are of primary significance.

Thus, it is unfortunate that Laflamme's analytical paradigm is a very simple, humanist one. "Si le taylorisme et la parcellisation des tâches ont envahi le monde industriel au début du siècle, les forces humanistes contemporaines tendent à renverser le courant par une recharge verticale des milieux de travail (p.17).

The forces, the model they use, how they restructure the work place are not important as long as they follow a humanist philosophy, depolarize industrial relations, allow workers to participate in ownership and profits and ameliorate the problems of technocracy. The relative merits of worker co-ops and community development organizations, along with the potential scope of job enrichment programs, are not raised.

Rather Laflamme directs a clear-cut message to the Quebecois entrepreneur: "... l'entreprise a le choix entre la démocratie et al paix industrielle ou l'esprit de domination et l'exaspération des conflits" (p. 18). Economically, the survivors will be those who maintain healthy work experiences through a humanist approach.

Laflamme is not alone in this prophesy. M. Adrien Rioux, the deputy minister for co-operatives in the Ministère des Consommateurs,

## CO-OP COURIER NETWORK EXPANDS!

This summer a group of workers in the Quebec City area announced the creation of a local co-operative courier service. The group plans to have a daily connection with Messagerie Co-op, the courier co-op in Montreal (*Worker Co-op*, June 1981, p. 4).

The new Quebec co-op consists of nine people who have worked in a variety of co-operatives and businesses. They will offer an emergency courier service with guaranteed delivery within one hour. The Montreal co-op promises to deliver items picked up before 5 pm the next morning.

The new co-op is financed by \$1000 equity shares from each worker-member and by private arrangements (assisted by the Montreal co-op) to buy delivery vehicles (*ensemble! le 21 aout 1981*, p. 12).

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Coopératives et Institutions financières, similarly differentiated between share-capital small business (PME à capital-actions) and worker-owned small business (PME cooperative): worker co-ops are more competitive because they are more motivated (*ensemble! le 19 juin 1981*, p. 6). The ministry is planning to publish more on this in the spring. Perhaps Laflamme's book and analysis (or lack thereof) typify the rationale that will influence new worker co-ops in Quebec.

Paul Jones

### WORKER CO-OPS TO GO

Did you intend to order a copy of *Workers' Co-operatives: A Handbook*, by Peter Cockerton et al.? You mean you haven't got around to doing it? Well, you're in luck. A few copies are still available. To order, please send \$9.00 to John Jordan at CFDP.

## WORKER CO-OPS COME UNDER THE MICROSCOPE IN THE UK: THE CREW AT CRU

Question: *What is the only university institution specifically dedicated to research on worker co-ops?*

Answer: *CO-OPERATIVES RESEARCH UNIT, The Open University.*

In most of the world, co-ops and universities have had little to do with one another. Until recently. In the 1970's links were forged in a number of countries with at least some universities-- Britain, Sweden, Italy, Canada. In most cases, this reflects the scale and maturity of the co-op sector and the presence of sympathetic academics, partly in consequence of the ferment of the 1960's.

The Co-operatives Research Unit (CRU), begun in 1978, is one of these newcomers. The Open University itself is a considerable innovation, a university without walls that delivers courses throughout England by mass media, publications, correspondence and local study groups. Its home base in Milton Keynes, a new town northwest of London near Oxford, is a production centre for courses and materials, research and graduate studies.

The Research Unit is supported partly by the university and partly by grants and research contracts. The staff is a mix of teaching faculty, research associates and graduate students concentrating on co-ops.

CRU's research is entirely on worker co-ops. Their first annual report (for 1979) says that their basic question is: "How far does

promoting workers' co-operatives provide any answer to problems such as industrial alienation, structural unemployment, underdevelopment and so on?" They have sought answers by studying a variety of co-ops, often using an action research approach so that the co-op also benefits from the findings. CRU publishes the results of their work and also feeds the information into courses developed at The Open University.

CRU has published eight significant papers thus far, five of them case studies of different types of worker co-ops. These are particularly interesting since some of them have also been mentioned by Oakeshott. Examples are a building firm in Sunderland and (No. 2) *Little Women*, by Eirlys Tynan, 1980 (46 pp., £1.50), a retail food shop established by a group of married women. Gradually the co-op evolved so the women could run the shop and care for their children, giving them a sense of achievement in meeting old problems with new strategies.

Case No. 5 is *The Garment Co-operative: An Experiment in Industrial Democracy and Business Creation* by Chris Cornforth, 1981 (67 pp., £2.00). This co-op to manufacture women's garments was set up by a job creation program. The author analyzes it as an experiment in industrial democracy and business creation, as the title implies.

The case studies are particularly valuable for their

focus on the internal dynamics of worker co-ops. How are different views resolved about technical issues, the appointment of co-ordinators or managers, etc? This attention to the daily experience balances the more numerous studies of formal structure that are available.

The other three studies are on organizational issues, feasibility of a local co-op development and the product question. An example is *Fakenham Enterprises Limited* by Martin Lockett, 1978 (129 pp., £2.50). Lockett describes the establishment and eventual collapse of a workers' co-op that grew out of a sit-in at a small Norfolk shoe factory that was closed down. The problems of this type of development are discussed and recommendations for similar projects are offered.

CRU also publishes occasional papers and a directory of researchers in the UK interested in industrial co-ops. This fall, *Worker Co-operatives and Trade Unions* by Chris Cornforth will be published in the *Concepts and Research* series.

A list and order form for CRU publications is yours for the asking from the CFDP office. To order a study, please write to:

The Secretary, Co-operatives Research Unit, Technology Faculty, The Open University, Walton Hall, Milton Keynes MK7 6AA, United Kingdom.

*John Jordan & Carla Salvador*

## TYOLOGIES REVISITED: THE GREAT DEBATE?

In our June issue we promised you a Great Debate on typologies, a rash undertaking. What we have is more an explication than a debate.

Typologies for worker co-ops were the subject of articles by George Wheeler and Jack Craig in Vol. 1 No. 2 (January 1981). They wrote in response to an article on employee ownership by James O'Toole.

Afterwards John Jordan, CFDP Research Director, wrote the editor with his comments. In turn, Jack Craig wrote. Here we summarize their positions, going back to the original stories.

Jack says, "The typology we generated [see Table] summarized O'Toole's findings." Forming a matrix with only the two variables that O'Toole discussed showed "a high degree of correlation with the success of the businesses that he selected. We criticized O'Toole's article because of his lack of clarity in generating a typology to communicate...the variables clearly and [identify] the fundamental differences between the organizations he selected in his study."

They did not attempt to defend the typology. Jack says, "There is no way that George or I would argue that the two variables

*(degree of worker ownership and degree of workers' control of work processes) explain the success or failure of all business enterprises."*

John Jordan, in response to the articles, pointed out some of the obvious flaws in O'Toole's analysis as revealed by such a matrix. "Before we become transfixed by how supportive this seems to worker co-ops, we should recognize that most corporations are in 1 [see Table], and are hardly failures as businesses."

John also points out that "many capitalist firms with little or no worker ownership but with Quality of Life or similar programs would fit [in 3]. There is consistent evidence over a few decades in Western Europe and North America that increased 'meaningful' levels of shop floor involvement lead to greater productivity and success [without worker ownership]."

In addition, "the landscape is littered with the remains of worker co-ops that had high levels of worker ownership and involvement [4]."

George and Jack agree with these points.

John warns that "typologies can be helpful in classifying and relating variables [but]

Jack Craig is the Manager of CFDP. At one time he worked as a field man in a co-op in his native Saskatchewan and now teaches in the Department of Sociology and Faculty of Environmental Studies at York University in Toronto. He has written *Multinational Co-operatives: an alternative for world development*.

we have to be very suspicious [about] typologies that suggest that worker co-ops are better in every way. I [prefer] to emulate Oakeshott, who uses the available evidence to conclude that their experience is no worse than capitalism, and probably a bit better. That frees us to talk about the important questions of purpose, which (for me) is not only business success, but economic democracy."

In contrast, Jack likes the concept of typologies: "I think it is important that we develop a clear classification scheme to distinguish worker co-operatives from other forms of organization and other types of worker involvement." In a letter to John, he suggested "Let's get together at some point and develop one that is both clear and accurate."

Is this the acorn of a new subcommittee, a potential topic for discussion in Ottawa next June or just a dream?

### Control of Work Policies/Processes

Level of Worker Ownership	Little Meaningful Involvement	High Level of Meaningful Involvement
Low	1. Failures (most ESOPs)	3. Mixed record
High	2. Mixed record	4. Successful (18 worker co-ops discussed)

## ANALYSIS COMMITTEE KEEPS ACTIVE ALL SUMMER

By PAUL JONES, CO-ORDINATOR

Since the sixth meeting of the Workers' Co-ops Analysis Committee on June 3, where the Mondragon film was shown (*Worker Co-ops, June 1981*), we have had very few get-togethers. This was at least partly because it was not possible to send out notices during the mail strike. The warm weather may have had something to do with it too. However, our organization and exposure continued to grow.

## NDP ENJOYS MONDRAGON FILM

The CFDP sponsored a showing of *The Mondragon Experiment* to about 75 people at a quarterly meeting of the Ontario New Democratic Party's (NDP) Provincial Council, on June 21. The film was very well received and our literature table, manned by John Jordan, had excellent sales.

On June 27, Glen Taylor, Research Assistant at CFDP, showed the film to the annual meeting of the NDP Youth in Hamilton.

## NEWSLETTER MAKES A CHANGE

The other major change for the analysis committee over the summer you have probably discovered by now. We found a professional editor for the newsletter, Carla Salvador. We also have a new banner on our front page. The banner was designed and donated by Stewart Cameron, a freelance graphic artist in Toronto.

These changes are part of our ongoing effort to improve communications in the network of interested people. Through the newsletter we hope to promote the sharing of ideas and, perhaps, even develop a consensus about strategies.

## FILM COMMITTEE COMES TO LIFE

A few analysis committee members braved the summer heat and got together on July 20 over Bob Schutte's wine bottle to talk about the future of the Mondragon film. We need to promote the film and use it as a vehicle to raise the issue of workers' co-ops in Canada.

We decided to put together a press kit in co-operation with the BBC and promote the film and analysis committee through personal contacts as much as possible. There was some delay while we clarified the legal implications of our contract with the BBC. (Our agreement prevents us from charging to show the film.) However, Bob Schutte has prepared the kit and is now looking for contacts (see *Help!* on page 9).

## COMMITTEE MEETS DESPITE MAIL STRIKE

We telephoned the more active people on the committee for a meeting with John Jordan on August 11. We talked about John's contacts and experiences in Europe last spring (see *European conference observes workers' co-op types* on page 1). The discussion then moved to strategies for the development of workers' co-ops, particularly related to the means of financing them.

## PRIORITIES AND STRATEGIES

Our largest task this fall is to provide input to the CFDP Priorities and Strategies Document. I expect that some of us in Toronto will draft a short paper and circulate it throughout the committee for discussion. The Priorities and Strategies Document will be a major focus for discussion at the CFDP Congress in Ottawa next June and will be read by senior decision-makers in all parts of the co-op movement.

The deadline for input is November 30th. If anybody has particular comments to make, we would appreciate hearing them. Contact:

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