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of Economic Democracy
in Canada

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Around the World

The problem of financing

The demise of the O&O supermarket chain in the Philadelphia area gives one cause to reflect. O&O was an imaginative effort, inspired by the Mondragon group in the Basque region of Spain, to develop 'a system of worker co-operatives.' The retail outlets were to be linked to a second-tier wholesaler and to the development group, PACE. The O&O Investment Fund was to assist with start-up financing. On paper, at least, the blueprint was thoughtful. However, as Frank Lindenfeld points out in this edition of the **Worker Co-op** magazine, important features of the blueprint — namely, the investment fund and the co-op wholesaler — were never realized in practice, and eventually these shortcomings contributed to the system's downfall. Undercapitalization, in particular, left the O&Os vulnerable in a competitive market.

Financing is a problem experienced by many worker co-ops because ordinary working people lack assets and savings. As a result, worker co-operatives throughout the world tend to be very small, labor-intensive enterprises.

Where worker co-ops have been able to buck this trend, it usually involves a variation of the traditional structure, and particularly a sharing of corporate control with the organization providing much of the financing. The Mondragon group, for example, is often lauded for creating well-financed industries that are competing successfully for international markets. However, that system involves a form of partnership (regulated by a 'contract of association') between each worker co-op and the Caja Laboral Popular, the credit co-operative which has channelled community savings into developing the system.

Elsewhere, there are other examples of adapting the worker co-op model in order to improve financing. In Israel, the movement is experimenting with an approach in which a co-operative of the workers owns an enterprise's 'operational assets,' whereas the 'fixed assets' (land, equipment) are held in a second co-operative, controlled by the central association and subject to a lease/purchase by the co-operative of the workers, as financing becomes available. A lease/purchase arrangement is also being tried out in the U.S.S.R. as a method for worker buyouts of state-controlled firms.

In Canada, there have been two innovative experiments recently that have enhanced the financial strength of companies with worker ownership. The Co-operators Group, the holding company for Co-operators Insurance and seven other subsidiaries, has been experimenting with a 'multi-stakeholder co-op,' with three constituencies: The Group, the workers and consumers. In Québec, 'joint ventures' are being launched between firms consisting of a co-operative of the workers and partners from both the private sector and from established forestry co-operatives.

All of these approaches are different, but they have the common denominator of reduced control by the worker co-op in exchange for improved financing. This trade-off is contentious and not to be taken lightly, for a primary objective of a worker co-op is to enhance workers' control. Yet we should not romanticize the virtues of controlling poorly financed enterprises, kept afloat by substandard earnings of members. The trade-off has to be addressed in a pragmatic way.

As we enter the 1990s, worker co-operatives in Canada have established a niche in several market sectors: forestry, organic foods, and now ambulance services in Québec. Gradually, we see systems forming as independent co-operatives explore the advantages of working together. Plans are being formulated — plans that require financing of a scale that may be beyond the means of existing enterprises. Under the circumstances, it will be important to consider innovative approaches to address the problem of financing.

Jack Quarter
Editor

WORKER CO-OP

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LETTERS

Roger and me

I did not produce, nor did I ever claim to produce, nor will I ever claim to have produced the *Women's Vignette* series. The personal biography was not written by me but presumably by a *Worker Co-op* representative, at least partly based on meetings we had this past summer. I believe the misunderstanding might have come from me saying something to the effect that "we produced..." or "Extension produced..." etc. As I stated, I did not wish to convey the impression (nor did I state) that I produced the series.

Roger Carter
School of Continuing Studies
Memorial University
St. John's, Newfoundland
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Editor's Note: I apologize to Linda Cullum, the producer of the *Women's Vignette* series, for attributing that work to Roger Carter (in *Worker Co-op*, Vol. 9, No. 2). It was an unfortunate error on my part.

Missing

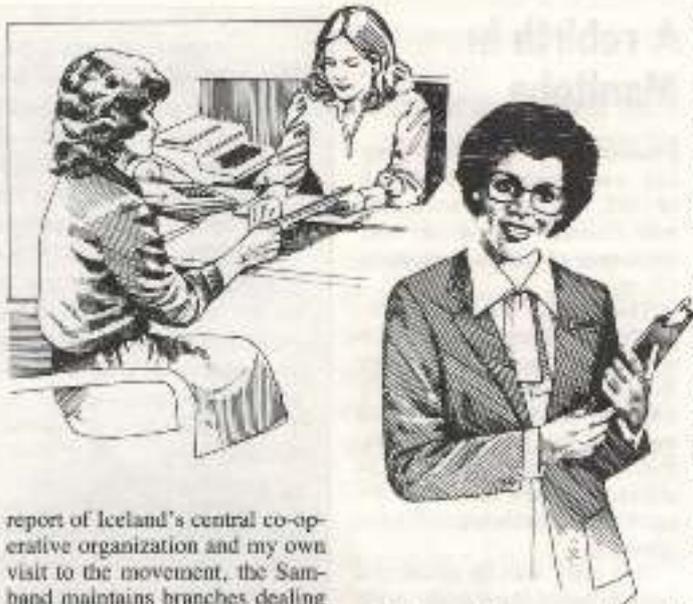
The Canadian Worker Co-operative Organization would like to thank the many donors to our February conference, who were listed in your last issue. We would draw your attention to **The Co-operators**, who were generous in their support and missing from your list.

Robert Allan
Canadian Worker Co-operative
Organizing Committee

Editor's Note: Apologies!

Filling in Iceland

I enjoyed reading Kate Sigurdson's article: 'The Co-operative Island' (Vol. 9, No. 3), but I wonder if it brings out the full significance and diversity of Iceland's movement. From the 1981



report of Iceland's central co-operative organization and my own visit to the movement, the Samband maintains branches dealing with: agriculture, fish products, imports, machinery and industries. It also operates a Samband Line, with overseas branches in London and Hamburg and subsidiaries in the U.S.A. It is an active member of Nordisk Andelsforbund in Copenhagen and owns several companies dealing with imports, banking, insurance, fish processing, building and construction. In fact, the Samband's size and dynamism have created animosities in the private sector, which it has been trying to counter under a campaign entitled 'Positive Image.'

The Samband encourages integration within the movement, not through amalgamation of societies (which was the dominant trend in the '60s and '70s in Western Europe and caused some adverse results), but by centralizing specific functions (processing, negotiating with manufacturers, rationalization of transport channels, establishing central computer terminals, etc.). While, as Kate Sigurdson points out, the existence of multi-purpose societies is a feature of the movement and has caused tensions, this has also inhibited the emergence of specialization, especially in the consumer function. Competition from privately-owned supermarkets and family-owned specialty shops, especially in and around Reykjavik, has been keen.

Major problems experienced by the Samband are: apathetic membership (a universal problem), uncompetitive salaries (affecting adversely the quality of management and leadership) and members' high expectations, which the movement may not always be able to satisfy. So far the Samband's government-owned banks, with boards appointed by the Albing, have been good.

S.K. Saxena
Consultant in Rural and
Co-operative Development
56 Raymerville Drive
Markham, Ont. L3P 4J5
(416) 294-7865

Strength from support

Revolutionary greetings from Zimbabwe. I received your beautiful magazine, *Worker Co-op*, with the nice article on our co-op movement. My colleagues and I in OCCZIM (The Organization of Collective Co-operatives of Zimbabwe) are proud of such support. It strengthens us.

Albert Vingwe
Chairperson
OCCZIM
25 Forbes Ave.
103 Emekay House
Harare, Zimbabwe

Co-op generosity

Our co-operative welcomes the opportunity to further the cause to which you have devoted so much time and effort. Along with our admiration, we are enclosing a cheque for \$300.

Best wishes for the success of your organization.

Caroline Monteith
Supervisor, Corporate
Administrative Services
Co-op Atlantic
123 Halifax St.
Moncton, New Brunswick
E1C 8N5

Four more years

The Centre for the Study of Co-operatives (CSC) at the University of Saskatchewan is in the process of establishing a funding arrangement which, if approved by all the "partners," will ensure its healthy continued existence for the next four years. The University of Saskatchewan has agreed to provide 50 per cent of the budget if the co-operative sector provides a matching amount.

The co-op-sector partners are Saskatchewan Wheat Pool, Saskatchewan Credit Union Central, Federated Co-operatives Limited, The Co-operators, CUMIS and Co-op Trust. The proposal will be placed before the next scheduled meeting of the board of directors of the respective co-operatives.

The commitment by the University of Saskatchewan to CSC is very significant, particularly in

Cont'd on p. 6

Letters welcome

Worker Co-op welcomes letters and conference information from its readers. All copy should be double-spaced.

Write to: Jack Quarter, Ontario Institute for Studies in Education, 252 Bloor Street W., Toronto, Ontario M5S 1V6; (416) 923-6641, Ext. 2576.

LETTERS

Cont'd from p. 5

the context of a very difficult budgetary situation which will cause cutbacks in other programs. The co-operative sector and the provincial government financed CSC's first five years of operation; however, CSC's continuation was threatened when the province declined further funding beyond its initial five-year commitment. The current proposal is not intended to forego the possibility of government support in the future; rather, it is intended to ensure the continuation of an innovative and successful venture, of particular benefit to Saskatchewan and Canada, in spite of the lack of government support.

Dan Ish
Director
Centre for the
Study of Co-operatives
Diefenbaker Centre
University of Saskatchewan
Saskatoon, Saskatchewan
S7N 0W0
(306) 966-8503

Job opening

Karma, Toronto's oldest non-profit food co-operative, requires a general manager. Training will commence July 1st, 1990. The position involves the planning and directing of operations, committee work and liaison with the board of directors. The candidate should have an understanding of co-operative values, a demonstrated ability to work with people, co-op or retail health-food experience and a familiarity with financial administration. The position is salaried, with a progressive benefits package.

Recruitment Committee
Karma Co-op
739 Palmerston Ave.
Toronto, Ont.
M6G 2R3

Editor's Note: The *Worker Co-op* magazine is pleased to print job ads, provided the deadline for a job is after the date for publishing a particular issue.

A rebirth in Manitoba

Phoenix Reforestation Co-op Ltd. was incorporated in the fall of 1989, and, yes, the name does reflect the rebirth of a dream from the demise of Gaia Reforestation Co-op.

This spring, the co-op successfully tendered two contracts with the Manitoba Forestry Branch, worth approximately \$50,000, and involving 250,000 trees and 140,000 trees respectively. We have a crew of 24 worker-members; nine are women. We are considering additional contracts.

Our main start-up challenges seem to be in three areas: funding, membership commitment, and effective decision-making. Membership costs are \$200 in shares, and planters are required to supply their own equipment and prepare their own meals.

Donald Carmichael
191 Furby St.
Winnipeg, Manitoba
R3C 2A6
(204) 775-1724

Gracious reader

At our annual meeting our members unanimously agreed to receive a one-year bulk subscription to the *Worker Co-op* magazine. We are enclosing a list of our current members and a purchase order.

We look forward to receiving the May issue and wish to sincerely thank you for your work in producing such a fine publication. I currently receive the magazine and find the material informative and inspiring. Keep up the good work.

Mike Knell
Manager of Business
Development
Nelco Mechanical Ltd.
77 Edwin St.
Kitchener, Ontario
N2G 4G6
(519) 744-3072

International Co-operative Alliance

The ICA will hold the annual meeting of its central committee in Madrid, September 16-22. CICOPA, the international organization of worker co-operatives, will also meet as part of the ICA gathering.

The changes in Eastern Europe have led to a number of ICA consultations, particularly for its Agricultural Committee and CICOPA. Representatives of eight countries met in Budapest in March to share information on the role of agricultural and industrial co-operatives in eight Eastern and Central European countries. A follow-up meeting is scheduled for Budapest in October. The role of co-operatives in the economic restructuring of Eastern Europe will also be part of the ICA meetings in Madrid.

For more information, contact **Bruce Thordardson**, director, ICA, 15 route des Morillons, 1218 Grand Saconnex, Geneva, Switzerland.

The U.K. in August

Adding Value for the 1990s is the name of a two-day conference for the managers and members of worker co-operatives. The five themes are: Public Image, Human Resource Development, Finance, Dealing with Conventional Businesses and Decision-making.

The conference will be held August 30 and 31, 1990, at the Co-operative College, Stamford Hall, Loughborough, Leicestershire LE12 5QR; (0509) 852333. The conference fee is £95.

Researchers of the World!

Co-op Net is an international organization of co-operative researchers which, like the Canadian Association for the Study of Co-operatives, facilitates communication and arranges meetings. One such meeting is its 'annual seminar' held in conjunction with the meetings of the International Co-operative Alliance's Central Committee. This year's annual seminar is September 14-20, in Madrid.

For more information about either the Madrid seminar or Co-op Net, contact **Sven-Ake Book**, c/o Society for Co-operative Studies, Box 15027, 104 65 Stockholm, Sweden; (phone) 08 743 3950.

Topshee at Antigonish

The theme of this year's Topshee conference in pastoral Antigonish, Nova Scotia, is *Progress and Dependency: The Nature of Underdevelopment in Atlantic Canada*. The conference, June 22-24, will explore the socio-economic and political conditions which are causing underdevelopment and look at alternative strategies for change.

For more information, contact **St. Francis Xavier University, Extension Dept., Antigonish, Nova Scotia B2G 1C0; (902) 867-2208**

ACROSS THE COUNTRY

QUÉBEC JOINS

By Jack Quarter

Toronto — The Québec Federation of Worker Co-operatives has selected a representative for the Canadian Worker Co-op Organizing Committee, which is laying the groundwork for the founding convention of a national organization — probably in May, 1991.

Huguette Giard, secretary of the Québec Federation and directrice-générale of Les Nuages, a Montreal advertising co-op, has joined Bob Allan, Marty Frost, Peter Hough and Jim Winter at the Organizing Committee's bi-monthly meetings. Giard has indicated that the Québec Federation wants the national organization to be "a confederation of regional federations."

At this point, "the Organizing Committee is leaning toward proposing a structure, which would be a modified form of a confederation," according to Bob Allan, the finance manager of The Big Carrot. "Each regional organization would send a large number of delegates to the founding convention in order to ensure broad representation."

However, Allan cautions that "much discussion about structure still has to occur and recommendations have to be made to the founding convention."

Consideration also has been given to a role for resource groups and supporters from other types of co-operatives in the national organization. "The Organizing Committee is leaning toward an associate status in those cases," says Allan.

Regional meetings of worker co-operatives have been held in Vancouver Island, Manitoba, Ontario, Québec and Nova Scotia, to brief people on the national organizing effort and to share common concerns at the local level. Plans are afoot for similar meetings in mainland British Columbia and in Saskatchewan.

An issue that has been discussed, both regionally and nationally, is the *Worker Co-operative Strategy Report*, presented to the federal-provincial ministers' conference in Montréal last October, and its proposal for five



regionally-based "enterprise centres" or resource groups. At its March meeting with Ken McCready of the Co-op Secretariat, the Organizing Committee endeavored to ensure that worker co-ops have a major role in the design of any new centres, should funding become available.

CCA and CCC

The Organizing Committee has met with staff of the Canadian Co-operative Association and is scheduled to meet with the Conseil canadien de la coopération in June to discuss membership in those organizations. It is anticipated that participation will be informal until the founding convention, at which time membership will be sought in the CCA and CCC. As the duly representative body for worker co-operatives in Canada, the national organization is supplanting the 'ad hoc committee' used by CCA for advice on worker co-ops. Myrna Barclay, the director of education and development at CCA, has indicated that there will only be one more meeting of the ad hoc committee — that being to consider the final report of CCA's Innovations project. The Organizing Committee will be invited to that meeting as well. Ms Barclay hopes that the Organizing Committee will find a role for representatives of the established co-operatives who have participated in the ad hoc committee.

For more information, contact Bob Allan, *The Canadian Worker*

Co-op Organizing Committee, 457 Palmerston Blvd., Toronto, Ontario M6G 2N9; (416) 537-6543. Contact can also be arranged on a regional basis: West — Marty Frost, CRS, 3450 Van Ness, Vancouver, British Columbia V5R 5A9; (604) 439-7977; Québec — Huguette Giard, Les Nuages, 3827 rue Ontario Est, Montréal, Québec H1W 1S5; (514) 526-6651; East — Peter Hough, Constructors Co-op, R.R.#2, St. Peter's, Nova Scotia BOE 3B0; (902) 535-3129; and Jim Winter, Newfoundland and Labrador Federation of Co-operatives, P.O. Box 13369, St. John's, Nfld. A1B 4B7; (709) 726-9431.

Huguette Giard, secretary of the Québec Federation of Worker Co-operatives, has joined the organizing committee that is planning the founding convention for a national organization of worker co-operatives. Giard is shown at the initial planning meeting in Ottawa, February 1-4, with Richard Roussin (centre), of the Montréal CDR, and Marcel Arseau of the Québec Federation. Photo: Maureen Laverty

and agencies, and other support organizations such as the Canadian Co-operative Association and Conseil canadien de la coopération.

Several organizations have shared information to help start the database; people on the interim executive of the national organization of worker co-ops have been rounding up names, addresses, and information about worker co-ops in their areas.

Ritchie says, "If we or members of the national organization approach worker co-ops for information about their operations, we hope they will co-operate. We're sensitive to the need for confidentiality. Responding co-

Cont'd on p. 8

On the Prairies

EVERYTHING YOU WANTED TO KNOW

By Elizabeth Archambault

Souris, Manitoba — The Souris River Communications Co-operative is compiling a database for the fledgling national organization of worker co-operatives. "Our initial goal is a mailing list," says James Ritchie, Souris River's business manager. At both the federal and provincial levels, we've found that much information presently available is dated or incomplete. Having up-to-date data will make meaningful analysis possible."

The database will include information about worker co-ops in Canada, related organizations such as government departments



Souris manager Jim Ritchie gets database underway.

ACROSS THE COUNTRY

Cont'd from p. 7

ops may wish to prioritize their information according to whom it may be released and for what purposes it may be used. A truly useful database depends on trust and sensitivity. The primary user of this information will be the worker co-op sector itself. We'll be looking to the national committee for policies on information access."

Souris River will invoice the national organization for the database and then donate its contribution to the national organization. "This way we undervalue neither the work nor our contribution to the national," adds Ritchie.

Not only will the database be useful nationally, but it has also helped to support Souris River's ongoing commitment to local education. A student from Assiniboine Community College in Brandon spent part of the work-experience portion of her program with Souris, and got hands-on experience with database construction and design. The student has left due to maternity leave and has been replaced by another volunteer student.

Elizabeth Archambault is a freelance writer and a volunteer with Souris River Communications Co-operative, Box 490, Souris, Manitoba R0K 2C0; (204) 483-2335. The Souris River Communications Co-operative is publisher of the Souris Valley Echo, an award-winning newspaper, and also has received an heritage award for creating a typeface for use in Macintosh computers, which preserves the traditional Gothic typeface in the Hutterite script.



Photo: CCA Saskatchewan

GREAT BREW!

By Deb Glazebrook

Saskatoon — "Looks like we need some repair work here," said Greg Kitz, as he eyed the missing ceiling panel in the entrance to Great Western Brewing Company in Saskatoon. When a worker becomes an owner, little things are seen in a different way.

Great Western came into existence on January 17, 1990, when former employees of Carling O'Keefe signed a deal to purchase the plant, which had been first sold to Molson's and then shut down. The ads leading to the market launch of Great Western's first two premium beers proclaim: Great Guys...Great Beginnings...Great Expectations...Great News!"

"Great Success" could be the caption for the next ad. Only four weeks after the brew hit the market, the plant was already employing 50 people, twice the initial projection. The demand for the product has exceeded projections by 300 per cent, and the plant has not yet been able to meet Saskatchewan's demand.

Despite these early indications, Kitz and his fellow workers are taking a cautious outlook. "There is a curiosity factor present when a new product hits the market," he said. By Labour Day the company will have a better idea of what its actual percentage of the beer market will be.

In Great Western's unique structure, Kitz is the chair of the board. He is also a member of the union. His professional specialty is brewing, but he doesn't have a job title. Great Western decided not to use job titles, so as to allow flexibility across functions. His position as chair of the board is "more honorary than functional," as the day-to-day operations are the responsibility of president and CEO Peter McCann and his management team.

Great Western, a worker buyout of the Carling O'Keefe brewery in Saskatoon, cannot keep up with the demand for its beer. Worker-shareholders of Great Western pose for the camera, including Greg Kitz (back row, centre), a leader in the buyout.

The board meets once a month to discuss company operations and advise McCann. Five shareholders are represented on the board, and four of these are unionized. Three other directors were appointed from the community, to provide advice from the labor, business and legal sectors.

The union (Local 346W, United Food and Commercial Workers) retained its previous membership and merely reorganized after the company's incorporation.

The workers' purchase of shares in the company was assisted by Saskatchewan's Small Business Incentives Corporation. The corporation offered a cash-

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back grant of 25 per cent, which meant on the initial purchase shareholders could get 125 shares for the price of 100. Most shareholders reinvested their grants into more shares. Under the company structure, no employee — not even the CEO — can own more than 10 per cent of the shares.

Kitz admits to feeling very excited about the company's beginnings. He sometimes cannot believe how well the brewery is faring in a marketplace dominated by the "big boys" — the giant brewing corporations. Kitz and his fellow workers, who recently held a thinktank into why they are doing so well, never thought they would have to work this hard to meet the unexpected demand for their products. Commitment is high, with employees putting in extra hours at their own initiative. Even spouses have come in to volunteer their time and skills.

As for the results of the think-tank, Great Western pins its success on the Saskatchewan consumer. Kitz says that the people of this province recognize the "underdog" and the fact that Great Western is community-owned. "We in Saskatchewan have always pulled for our own, especially when times are tough."

COMMUNITY

DEVELOPMENT BONDS
Regina — The government of Saskatchewan promised to create "community development bonds" in its March Speech from the Throne. Few details about the program have been released. However, the government appears to be encouraging residents of the province to contribute their savings to development projects in their own communities. The principal portion of the investment would be guaranteed, and the rate of return would depend upon each project's profitability.

The community development bonds program reflects the government's concern about revitalizing rural Saskatchewan, which has been hard hit by a depressed farm economy.



Deb Glazebrook is director of the Saskatchewan youth program, Canadian Co-operative Association, 501-333 3rd Ave., N., Saskatoon, Saskatchewan S7K 2H9; (306) 244-3702.

A FIRST FOR MANITOBA By Jeremy Hull

Winnipeg — Representatives of worker co-operatives in Manitoba met in Winnipeg on April 7 to discuss common concerns and to plan an ongoing association. There are 12 active worker co-operatives in the province and a sizable number of incorporations that are inactive.

At the meeting, Manitoba's registrar of co-operatives, Vic Hyrshko, said that the province is attempting to get a cost-sharing agreement with the federal government to support a resource group for worker co-operatives. There is already a revolving loan fund of \$1.25 million available for feasibility studies and start-up financing. However, only \$60,000 is currently outstanding. Only one new worker co-operative has been developed during the past year, in spite of the provincial Employment Co-operatives program.

The meeting also heard from

Ron Bailey, a member of the Manitoba advisory group to the Canadian Co-operative Association's Employee Ownership Initiative and a leading figure in the creation of the provincial Employee Co-operatives program under the previous NDP government. Bailey said that an additional fund was needed to provide financing, and particularly bridge financing, to new employee-owned businesses. Surplus earnings in the fund could be used to support development and educational work with worker co-operatives.

Marty Frost of the Canadian Worker Co-op Organizing Committee discussed the *Worker Co-operative Strategy Report* with the meeting. Manitoba's Minister of Co-operatives, Ed Connery, has expressed his support for the Report.

This meeting was organized by James Ritchie of the Souris Valley Echo and Jeremy Hull of Working Margins. For further information on the Manitoba network contact Jeremy Hull, Working Margins Consultants, 200-651 Croydon Ave., Winnipeg, Manitoba R3M 0W3; (204) 453-6137.

Members wanted! Nelco Mechanical of Kitchener, a conversion of a family-owned business to a worker co-operative, has been very profitable. However, most of the workers remain reluctant to join the co-operative.

The Ontario Beat

By Judith Brown
MEMBERS WANTED

Kitchener — Workers at Nelco Mechanical Ltd. in Kitchener remain reluctant to join the worker co-op in spite of the company's strong financial position. Nelco was a family-owned construction business that converted to a worker co-op in 1987, largely at the initiative of its owner, Mike Knell, the son of the founder. The company employs about 100 regular workers, organized through four different construction unions.

At the time of the conversion, about 20 per cent of the workers decided to join the co-op. According to Tom Tombrose, chair of the board, many of Nelco's workers feel that the offer of ownership is "too good to be true." Other factors which may explain the workers' reluctance to join the co-op include their strong ties to union locals, which are skeptical about the worker co-op, and the seasonal nature of the work.

Nelco was featured in the *Worker Co-op* magazine (Vol. 8 no. 3, pp. 12-14).

ACROSS THE COUNTRY

WOMEN'S CHOICE

Toronto — It was a great idea that did not work. In 1988, six women in the healthcare field started the Women's Choice Health Clinic as a non-profit worker co-op, which provided education, counselling and abortion services.

The clinic's structure was unique in that the membership included the physician as well as the other healthcare staff, each having one vote in decisions. However, only the physician could bill Ontario's health plan for abortion services.

Shortly after Women's Choice opened, the physician became concerned about the clinic's financial performance. There were tensions, and the physician decided to lock out other members of the co-op. A subsequent legal case was recently settled out of court.

According to Margaret Shaw, one of the locked-out workers, "finances had little to do with the lockout. If someone is involved in a worker co-op, which she can no longer support, then the legal and ethical alternative is to remove her financial support and labor."

Women's Choice no longer exists, though the worker co-op remains under its incorporated name: Carnelian Health Services Co-op Incorporated. Carnelian is

not functioning as a health-services enterprise.

The physician, however, is operating a women's health-services clinic, in which she has replaced the worker co-operative structure with a more traditional arrangement.

ONTARIO TIDBITS

Ottawa — Most daycare co-operatives involve parents as members. However, eight daycare co-ops in Ottawa have come up with an innovative approach: their board consists of workers at each centre as well as parents of children in the daycares. The Ottawa Federation of Daycare Centres grew out of efforts to improve both childcare and the conditions of workers in the centres. In addition to being members of the co-ops, the staff are unionized under CUPE. The success of these centres offers an alternative to more traditional models of childcare.

Toronto — Jubilation Bakery, a worker co-op specializing in natural-food products, has recently received a \$7,000 grant from the city of Toronto's Community Economic Development Project to conduct market research in the Toronto area.

Mary Lou Morgan of The Big Carrot was the keynote speaker at

the Canadian Co-operative Association's Ontario Region meeting on April 18th. Morgan discussed the potential for co-operatives in the organic-foods market.

The Ontario Network of Worker Co-operatives met in Toronto on March 23 to discuss the national meeting of worker co-operatives, held in Ottawa, February 1-4, and plans for a founding convention of a national organization. The Ontario network is meeting regularly to discuss common concerns.

Toronto's Big Carrot is losing key management personnel. Paul Gibbard left to join the Ontario Federation of Food Co-operatives, where he is the education director; Bob Allan is leaving to focus on the Organic Resource Co-operative plus other consulting contracts with co-ops; Mary Lou Morgan will team up with Allan in the Organic Resource Co-operative and also is working on Origins, a organic-foods marketing co-op; and Luc Labelle decided to end his contract as a managerial consultant with The Carrot and is now involved in a number of other consulting activities. The Carrot is currently deep in discussion about its management structure.

Judith Brown is a doctoral student in Community Psychology at the Ontario Institute for Studies in Education, 252 Bloor St. W., Toronto, Ontario M5S 1V6; (416) 923-6641, ext. 2576.

La Belle Province

CO-OPS BACK SDC

By Claude Carbonneau

(Translated by Rosemary Oliver)

Québec City — There is strong opposition from the co-operative sector to a proposal from the Québec government that would merge the primary government agency responsible for assisting co-operatives — the Société de développement des coopératives (SDC) — with another govern-

ment agency responsible for business in general — the Société de développement industriel du Québec (SDI). Gerald Tremblay, the Minister of Industry, Trade and Technology responsible for the merger, wants a co-operative vice-presidency within the SDI.

Strong opposition to the merger proposal has come from the Conseil de la coopération du Québec (CCQ), the Québec Confederation of Forestry Co-operatives and the Québec Federation of Worker Co-operatives.

These organizations fear that this merger, despite the good faith expressed by the minister, will considerably reduce the services offered to co-operatives. Every year the SDC bestows about 5,000 hours of technical aid, free of charge, to co-op businesses. The SDI concentrates instead on analyzing requests for financial aid. Also, the co-ops fear being marginalized within a larger structure, much more familiar with large-scale projects than with smaller requests like those of co-operative enterprises.

In spite of the opposition, the minister has not changed his position on the merger. However, he has given the co-operative movement additional time to make suggestions that would improve the effectiveness of his plan.

FORESTRY CO-OPS DIVERSIFYING

Ste. Foy — The Conférence des coopératives forestières du Québec (CCFQ) — the umbrella organization for the province's 49 forestry co-operatives — is creating plans for a \$10 million development fund that would make equity investments in new enterprises. Even though 1989 has been a successful year for the forestry sector, many of the co-ops are studying proposals to diversify their activities. The forestry co-ops are also pursuing a formal relationship with REXFOR, the provincial crown corporation for the sector.

At its annual general assembly on March 30, the CCFQ's president, Fernand Miron, described 1989 as a pivotal year for the

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movement. The general manger, Jacques Gauvin, was congratulated on the increased participation of members.

INUIT AND CREE OF NORTHERN QUÉBEC

Baie d'Urfé (Kanguq) — *Stories in Stone* is a widely-acclaimed exhibition of soapstone carvings, displaying the works of the Inuit and Cree of Northern Québec and carvers from Kenya. The exhibition has been so successful that it is being extended beyond its original deadline of December, 1990, and the Federation of Co-operatives of Northern Québec (FCNQ) has published a book about it.

The FCNQ publishes its own periodical, *Kanguq*, the last issue of which contains some interesting vignettes on the Federation's own history, beginning with the founding of the Povungnituk Co-op on the Hudson Bay Coast in 1958.

Aisa Koperqualuk, a founding member, describes the situation there before the co-op began: "Before the co-op started we sold carvings to the Bay. The managers at the time encouraged production but offered low prices, so our standard of living could not be raised. When the Bay decided to stop buying carvings from time to time, we were put in a desperate situation because we had no money."

Co-op elder Peter Angutik explains how the carving society — the forerunner of the co-op association — began: "Father Andre Steinmann motivated us into starting our co-op. He talked about how we can work together to get our carvings to give us a living, how we would be employing our own people and how we could start stores with essential items in stock. And so we started with very little except an idea from one person. It was the belief of the people in that idea that gave them the will to succeed."

The late Minnie Tukai told her story about the first building that was put up by the co-op: "When the rock house for the carving shop and packing was complet-

ed, we had a celebration with hard tack biscuits and tea. There was much talk about the advantages of the co-op movement, and we believed it enough for it to succeed. I also remember the time when our little rock house received its first shipment of clothing. This was a wonderful experience for me because before that the Bay took advantage of us. But our co-op prices were very low and it grew to the point where we could buy all of the essential items. It was a joyful experience — seeing our co-op grow gradually from our own efforts."

Soon more co-ops were started in other communities, and by 1967 the independent co-ops of five Inuit and Cree communities had merged into a federation. Today La Fédération des Coopératives du Nouveau-Québec has 12 member-co-operatives in Northern Québec, and its sister organization, Arctic Co-operatives Limited, has 34 member-co-operatives in communities in the Northwest Territories.

The periodical, Kanguq, is available from the FCNQ, 19950 rue Clark Graham, Baie d'Urfé, Québec H9X 3R8; (514) 457-9371, ext. 373; att: Rob Collins, editor.



Stanley Annanack, a trapper and board member of the George River Co-op in the Federation of Co-operatives of Northern Québec. The Cree and Inuit of Northern Québec are very successful soapstone carvers. Photo: Kanguq

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ACROSS THE COUNTRY

GUYENNE HONORED

Amos (*Coopérateur Forestier*) — The Amos Chamber of Commerce has paid tribute to the Serres coopératives de Guyenne at the first annual Amos Gala Elite. Guyenne earned the top award for manufacturing companies and the business-of-the-year prize. The Minister of Industry, Trade and Technology, Gerald Tremblay, also congratulated Guyenne for its contribution to regional development. The event occurred at a dinner with about 400 people. Guyenne is a co-operative community in Amos, which was started in 1947. Its greenhouses have been used for producing black and grey pine seedlings, and recently it diversified into tomato production. For features on Guyenne see *Worker Co-op* (vol. 6, no. 1, and vol 9, no. 2).

Claude Carboneau is the communications director of the Société de développement des coopératives, 430 Chemin Ste. Foy, Québec City, Québec G1S 2J5; (418) 687-9221.

In the Atlantic

FOUR MORE STARTS IN NOVA SCOTIA

By Peter Hough
St. Peter's — The Heritage Tea Room, one of the best tourist eateries in Cape Breton, has incorporated as a worker co-op. The tea room, started by Marie Landry a couple of years ago, has been a hit with locals and tourists from the first day. It specializes in home-cooked dishes and delicious desserts. Although the



Les Serres Co-opératives de Guyenne receives the first annual Amos Chamber of Commerce Award as the business of the year. (L to R): Louiselle Plante, Gilles Bérubé, Bruno Plante, Lisane Boulé, Diane Lebreux and Fernand Miron. Guyenne's greenhouses have been successful in pine-seedling production and more recently in growing tomatoes.
Photo: Guyenne

business has been very successful, as a sole proprietor Marie found that her day was neverending, and that she neither enjoyed nor had the time for much of the paperwork and the bookkeeping end of the business. Through discussions with some people from other worker co-ops in the St. Peter's area, she decided the worker co-op option was the way to go. Two of Marie's employees expressed interest and together they explored the idea with the Nova Scotia Community Development Co-operative. The Heritage Tea Room Worker Co-operative purchased the business from Marie, who has become a member. The members are excited by the prospects of their first season as a worker co-operative.

ORIGINAL CAST THEATRE CO-OPERATIVE

Annapolis Royal — The Original Cast Theatre Co-operative

has recently been formed in Annapolis Royal. A group of mostly young actors started working with a local playwright, Scott Campbell, last summer. After staging one of his plays during the fall, they decided that they would like to create an ongoing theatre company, structured as a worker co-operative. This summer the co-op will mount its first production, and in the fall some of the company will be touring schools with the Nova Scotia Mental Health Association, as part of a presentation for students.

PAK'N POST CO-OPERATIVE LIMITED

Sydney — This new worker co-operative has been formed by six older workers who met in a training program for security guards of nursing homes. Shortly into the course, it became apparent that the prospects of finding work in this field were remote. Dennis Shaw, one of their instructors, suggested that they consider going into business together, and arranged for them to start exploring several options, one of which was a parceling service for the booming courier business. Pak'n Post has carved out a market niche as intermediaries between businesses and couriers. The co-op also arranges post office boxes and handles security.

Pak'n Post was assisted by St. Francis Xavier Extension and the Nova Scotia CDC.

CO-OPERATIVE CLEAN-UP LIMITED

Halifax — This house-cleaning co-operative has been started by a group of women in Halifax. The women came together at the Parent Resource Centre in Uniack Square. Joan Mendes, the centre's director, has been working with several groups at the centre on different business ideas, in an attempt to help them find an alternative to the chronic unemployment of the area. Joan is giving Co-operative Clean-up ongoing assistance to help them get through the difficult start-up period. The Nova Scotia CDC has also been providing the co-op with assistance in its business plan, bookkeeping and incorporation.

BUSINESS BOOMING

Antigonish — The Community Development Co-operative has been very busy. Never have there been as many groups seeking information about worker co-ops. In addition to the four new co-ops incorporated since January, the CDC has been working with many other groups who are forming worker co-ops.

For introductory presentations, the CDC has been using the video, *On Their Own Terms: the Worker Co-operative Experience in Nova Scotia*, which was produced by Veronica Gillies of the St. Francis Xavier Innovations Project. It has been a hit with the groups, for it gives

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them a real taste of what it is like to operate a worker co-operative — the ups and downs, the excitement and challenges. Copies of the video can be obtained for \$30 from the Extension Dept., St. Francis Xavier University, Antigonish, Nova Scotia.

WAITING FOR GOVERNMENT

Antigonish — In order to continue its work, the CDC has been negotiating a three-year financial package with the provincial government. This would involve a total of \$50,000 from the province to be matched by the CDC and the co-operative sector. The CDC would provide start-up assistance to 30 worker co-ops over the three-year period.

Although the provincial minister responsible for the project has expressed his support, budget constraints have led to uncertainty. A final decision is expected in June.

At its annual general meeting on April 21, the CDC's board approved a staff plan, which includes a full-time manager, if provincial funding is approved, and a backup plan that involves only a part-time manager, as at present.

The AGM elected three directors: Eric Dean, the general manager of Co-op Atlantic; Clifton Sangster, of Promised Land Forestry Services Co-operative; and Raymond Doucet, past president of the Conseil coopératif acadien de nouvelle écossie. Doucet was also a director on the outgoing board.

In his concluding remarks, CDC president and Future Forestry Co-op member, Ron Grant, thanked outgoing board members Alex Moubourquette, a regional vice-president of Co-operators Insurance, and Ricky Stuart, of the Coady Institute, for playing key roles since the CDC's inception.

The AGM had two guest speakers: Bill MacLennan of the Voluntary Planning Association, who spoke of opportunities for worker co-ops in such industries as aquaculture and greenhousing, and Jim Winter of the Newfoundland and Labrador Federation of Co-operatives, who updated the



Meet the Prez: Ron Grant, president of the Nova Scotia Community Development Co-operative and forester with Future Forestry Services Co-op in New Glasgow. Photo: Innovations Project

meeting on the work of building a national federation of worker co-operatives.

The Nova Scotia Co-operative Council provided a luncheon for the AGM.

For more information, contact Peter Hough, manager, CDC, R.R. #2, St. Peter's, Nova Scotia BOE 3B0; (902) 535-3129.

PAT KELLY 1954 - 1990

By Maureen Edgett

Chatham — Pat Kelly died March 31, 1990, as a result of an electrical fire in his mobile home. He is survived by two daughters, his mother, 12 brothers and sisters. Pat Kelly was widely respected and admired by the over 300 people who gathered in St. Michael's Basilica in Chatham, New Brunswick, to say their final good-byes.

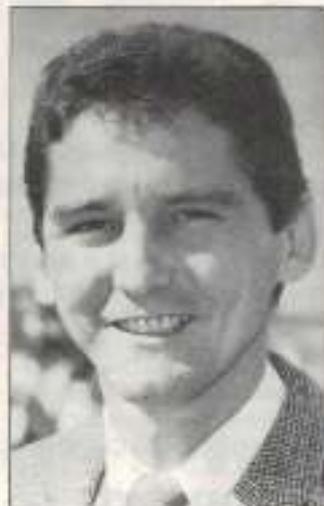
As a trade union activist, a New Democratic Party supporter, and an advocate of worker co-operative development, Pat Kelly's tragic death at age 36 is a loss for everyone with whom he was associated. His beliefs in the rights of workers were evident in the advocacy positions he took on controversial issues. His support of labor solidarity and the right to strike was demonstrated by the extra hours he spent on picketline duty, giving moral support to his brothers and sisters in other unions.

He was a founding member of the Miramichi Worker Co-op and devoted many hours to the promotion of the worker-ownership concept. He was committed to education for members of every co-op.

His ability to debate, to verbalize, to defend, or to clarify labor's stand on issues became well known, and his monthly column in the *Atlantic Co-operator*, "View

from the Line," was widely read. As a leader, he took no credit for his successes, yet he was ready to accept responsibility or admit he needed more information if an activity was not successful. He promoted continuing education and self-development. He taught many people many things by simply using the word "we."

He believed in social justice, and he cared about people. He was generous; he shared his time with his family and friends, and he shared his resources with everyone.



Pat Kelly, co-op activist and president of the Miramichi and District Labour Council, died tragically in a house fire in Chatham, New Brunswick. Photo: Atlantic Co-operator



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ACROSS THE COUNTRY

REST IN PEACE

By Rick Hayes

St. John's (Atlantic Co-operator) — One of Newfoundland's first worker co-ops has gone into voluntary liquidation. The Household Services Co-operative of St. John's, incorporated two years ago by domestic workers to provide themselves with better working conditions and benefits, had dwindled to just a few members before making the decision to disband.

"When the financial situation got serious, the NLFC (Newfoundland-Labrador Federation of Co-operatives) met with the remaining group and offered to continue working with them to try to attract new members and revitalize the co-op," NLFC managing director Glenn Fitzpatrick explained. "They decided they didn't want to continue, and we understand the reasons behind the decision.

"Household Services was the first attempt in this province to help domestic workers organize along co-operative lines," Fitzpatrick said. "The group needed more ongoing support services than we could provide. Our development specialist, Jim Winter, spent a lot of time with them, but we simply didn't have the experience and resources for the long-term, intensive program they needed."

NLFC president Ken Kavanaugh admits he's disappointed that Household Services has failed, but he's hopeful the NLFC will be able to use the experience constructively.

"The board has asked Glen and Jim to prepare a full report on the project," Kavanaugh says, "and we're determined to use the results of that review to help in planning future worker co-op development strategies. We'll be trying to figure out what else we could have done to help Household Services, and what resources we'll need to deliver those services."

'WE'RE THE BOSS'

Wellington — The Evangeline region in Prince Edward Island is called 'the uncontested co-op capital of Canada.' Within three villages (Wellington, Mont Carmel and Abraham's Village) in a 20-square-kilometre area are 18 co-operatives providing services from the cradle to the grave.

We're the Boss, a National Film Board of Canada recent release, is a lively depiction of this unique part of Canada's mosaic. The film's producer, Brian Pollard, highlights the Acadian presence in Evangeline, with its roots dating back to the sixteenth century.

We're the Boss has been produced in both French and English. It is available from National Film Board offices across Canada.

OAT BRAN

By Amand Arseneault

Urbainville — The Prince Edward Island Potato Chip Co-operative has announced that, after months of researching and taste testing, it will cook all potatoes in cholesterol-free canola oil and prepare them without preservatives. "We are doing our best to respond to the concerns of consumers," said Alcide Bernard, the co-op's manager.

Olde Barrel, the marketing name for the co-op, will have two new flavors — oat bran and sea-food.

Recent research has shown that elevated cholesterol levels is an increasing concern, not only among adults but also in chil-

dren. Market surveys of Maritimers indicate that 90 per cent of people are concerned about the nutritional value of their snack foods.

For more information contact **Amand Arseneault**, director, Regional Services Centre, P.O. Box 58, Wellington, Prince Edward Island COB 2E0; (902) 854-3131.

VIKINGS IN NEWFOUNDLAND

By Rick Hayes

Baie Verte (Atlantic Co-operator) — If you're a marketing and business manager with a flair for furry fashions, a good background in strategic planning and administration, and a commitment to the revitalization of Newfoundland's sealing industry, the Viking Craft Co-operative has probably just hired someone like you. This first year worker co-op, located in Baie Verte on the Island's northeast coast, is using Newfoundland sealskins to produce a wide variety of fur and leather products.

Viking Crafts is the second Newfoundland co-op committed to keeping the sealing industry alive, in the wake of an anti-sealing campaign that seriously weakened European markets for seal products. Land-based sealers along the province's northeast coast formed the Sealers' Co-op to stabilize markets for their catch. Since its inception several years ago, the co-op has been active in buying pelts and meat, the development of local employment through seal processing, and alternate market development. It is closely affiliated with the Canadian Sealers Association, an organization representing land-based sealers in Newfoundland and Labrador, the Magdalen Islands, and northern Canada.

For more information, contact **Jim Winter**, Newfoundland and Labrador Federation of Co-operatives, The Crosbie Building, Crosbie Place, P.O. Box 13369, Station A, St. John's, Newfoundland A1B 4B7; (709) 726-9431.

The B.C. Desk

GROWTH, THE OPERATIVE WORD

By Andrea Demers

Victoria — On April 1, PSC — a natural-foods distributor servicing Vancouver Island and the surrounding Gulf Islands — moved into a new 20,000-square-foot warehouse. As this worker co-op starts its 11th year, sales are expected to reach \$5.5 million.

Thirty people work at PSC, eight of whom are members. The co-op's annual trade show will be held Sunday, September 16, at the new Victoria Convention and Conference Centre. PSC is also an active participant in the national Alliance of Co-operative Natural Food Distributors.

And for the curious, PSC stands for Pacific Share Collective Workers' Co-op.

For more information, contact **Nick Orton**, PSC, 836 Viewfield Rd., Victoria, B.C. V9A 1V1; (604) 386-3880.

UP AND RUNNIN'

By Melanie Conn

Vancouver — British Columbia's long-promised Worker Ownership Resource Centre has become a reality. Shane Simpson, who has worked with the project since it was initiated by NWEDA (the New Westminster Economic Development Association), was hired at the end of April as director of the new Centre. Sponsored by Douglas College in New Westminster, the Centre has two years of funding from the federal Innovations program. The broadly-based advisory committee for the Centre includes representation from the business, labor and education sectors, as well as Marty Frost of CRS Workers' Co-op and Melanie Conn from WomenFutures Community Economic Development Society.

For more information contact **Melanie Conn**, 2204 West 13th Ave., Vancouver, B.C. V6K 2S3; (604) 736-0935.

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AROUND THE WORLD

UNITED STATES The friendly skies

Oakland (NCEO)—United Airlines, the second largest carrier in the U.S., has agreed to an offer of purchase from its three unions—the Airline Pilots Association, the International Association of Machinists and the Association of Flight Attendants. The price is \$4.4 billion, and the purchase, which would lead to 100 per cent employee ownership, is being done through an ESOP (an Employee Stock Ownership Plan). At press time, the unions still had not been able to put together the financial package. Because of the ESOP, United would not have to pay taxes on the profits of the sale, once these were reinvested.

United, which has been losing money in the highly-competitive airline industry, invited the bid by the unions. New York investment banker Ron Bloom, who helped with the deal, says it reflects "a shift in labor's attitude toward employee ownership after a decade of standing on the sidelines and watching their jobs disappear." As a reflection of this change, the AFL-CIO (the umbrella labor organization in the U.S.) has formed a new fund to serve as an equity base for union-led buyouts. The firm of Keilin and Bloom will manage the fund, which is expected to have \$200 million.

The buyout of United underlines the increased growth of ESOPs in the U.S. According to the National Center for Employee Ownership, leveraged ESOPs borrowed over \$24 billion in 1989 as compared to \$6.5 billion in 1988. About 1.9 million employees were involved in the new plans, about 1.2 million more than the average for each year of the 1980s.

Traditionally, about half of all ESOPs have been used by retiring owners who want to sell privately-owned companies to their employees. However, the NCEO reports that in 1989 public firms accounted for 80 per cent of the new employees covered and 85 per cent of the \$24 billion borrowed by ESOPs.



The median employee ownership in these public-firm ESOPs is only 14 per cent. There were 300 new ESOPs in 1989 in which employees have majority ownership, but these firms covered only 60,000 employees.

An American survey of large public companies by the *Institutional Investor* indicates that 36 per cent now have ESOPs, and 33 per cent of those without a plan intend to set one up. ESOPs are seen as an inexpensive way of restructuring employee benefits, and also are being used to prevent corporate takeovers. Contrary to the popular image, only two per cent of ESOPs are used to rescue failing companies.

More information is available from The National Center for Employee Ownership, 2201 Broadway, Suite 807, Oakland, CA (California) 94612.

U.S.S.R. 70 per cent

Moscow (The Star)—According to latest estimates, up to 70 per cent of state-owned industries will be leased either to workers' collectives or to individual owners, as part of a program for de-nationalizing the Soviet economy.

'Lease firms' have been operating in the Soviet Union for several years because of the limited economic changes encouraged under *perestroika*. Until now, lease firms have been state enterprises brought under workers'

control through a contract between the government ministry responsible for the firm and the workers. There are estimated to be 1300, predominantly in Moscow. Also, as reported by David Ellerman in *Worker Co-op* (vol. 9, no. 3, p. 21), bylaws have been prepared for an actual worker buyout of the fixed assets of a leased firm. Under this arrangement, organized by Gorbachev associate Valery Rutgaizer, the assets of the state firm are used to underwrite the loans which finance the buyout. The procedure is similar to a leveraged buyout in Canada or the United States.

At this point, it is not clear what portion of the de-nationalization will be leasing arrangements with government ministries and what portion will be buyouts. Also, it is equally unclear if workers will be given priority in leasing arrangements and buyouts.

The Soviet government has introduced a law on 'socialist enterprises', which would allow private businesses employing up to 10 people for services like barbershops, dressmakers and gas stations, and would also allow private ownership of small companies with up to 200 employees. The parliamentary committee that prepared the legislation visited the United States and apparently will recommend tax breaks and credit incentives to strengthen private companies.

This law would eliminate many of the hardships experienced by the more than 100,000

worker co-ops, which have recently sprung up in the service sector of the Soviet economy.

For more information contact the Press Office of the Soviet Embassy, 1108-400 Stewart St., Ottawa, Ontario K1N 6L2; (613) 236-7228.

Life at the top: Members of the Pashkov Co-op in Riga, Latvia, have a bird's-eye view of changing Soviet society. Pashkov is one of the 100,000 worker co-ops emerging in the Soviet Union under *perestroika*. Photo: Soviet Press Office

Worker co-op outperforms state enterprise

Geneva (CCA)—A construction worker co-operative in the Karelian Republic of the U.S.S.R. outperformed a state enterprise doing the same kind of work in the same region. The state enterprise, with 50 per cent more employees and superior equipment, carried out almost 50 per cent less work than the co-operative.

The 600 employees of the construction worker co-operative had monthly average earnings almost four times as high as employees of the Karellesstroi state enterprise and more than four times the national average. Managerial and administrative personnel accounted for 18.9 per cent of the workforce in the state enterprise but only 7.4 per cent in the co-operative. The co-operative paid taxes to the state and received no subsidy. The state enterprise was exempt from taxation and received a state subsidy.

Cont'd on p. 16

AROUND THE WORLD

Cont'd from p. 15

A report on the study, conducted in 1988, is published in the September-December 1989 issue of the International Labour Organization quarterly, *Social and Labour Bulletin*, available from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland.

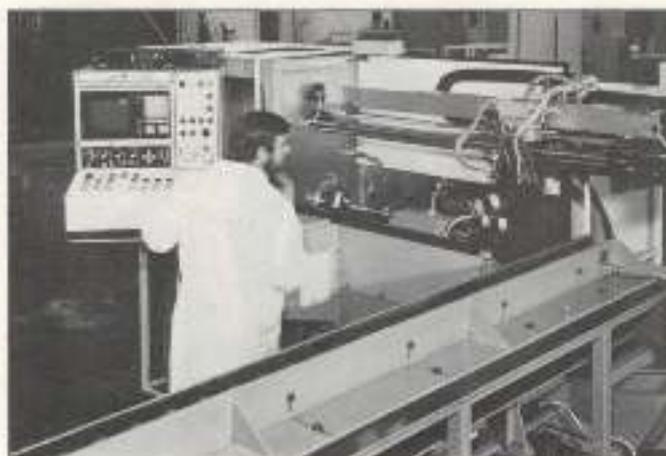
SENEGAL Labor movement backing

Dakar (ILO)—Organized labor is helping worker co-operatives in Senegal. The Bokkjom bakery co-operative near Dakar is one of five bakeries that has received assistance from the National Confederation of Senegalese Workers, the International Labor Organization and the Confederation of Italian Trade Unions.

The Bokkjom bakery, with six sales outlets, provides work for 15 bakers and shop assistants, all members of the co-operative. This project was initiated in the context of high unemployment. It not only provides jobs for its members, but has added to employment at the neighboring co-operative mill where it purchases its flour.

The bulk of the \$2 million financing for the project came from the Italian government. Directors and management of the bakery were trained in Italy, while Italian experts instructed other members at the co-operative.

Worker co-operatives in Senegal recently created their own federation.



Sales for the Mondragon Group reached \$2.53 billion in 1989. Nevertheless, the co-ops are concerned about competition as trade barriers come down in Europe.
Photo: Trabajo y Union

SPAIN Sales and anxieties

By Paul Gibbard
Mondragon (Trabajo y Union)—The Mondragon co-ops in the Basque region of Spain achieved sales of \$2.53 billion during 1989, an increase of 15.7 per cent over the previous year. The sales figure does not include co-ops

formed during 1989, and therefore underestimates the actual sales for the year.

In spite of the large increase, there is concern among the Mondragon Group as most of the growth has been driven by a strong, even overheated, domestic economy. This circumstance has had negative effects on exports, which at \$491 million were 7.6 per cent less than forecast. The inflation rate has been high, and the exchange rate for the peseta compared to other currencies has also risen. These matters are worrisome to the Mondragon Group as its goods and services become integrated in the European Common Market.

Nevertheless, foreign sales have grown significantly since the previous year. If Eroski, the domestic consumer co-op network, is left out of the equation, the foreign sales of the Mondragon Group have risen by 26 per cent. The Debako Group of co-ops (within Mondragon) has just completed the largest export of machine-tool equipment

in Spanish history, a \$16.7 million sale to a Czechoslovakian company.

There has been a net increase of 259 jobs in the Mondragon Group over the last year. These have not been created at the expense of productivity; in fact, productivity increased by five per cent.

Investment, too, is strong. During 1989, the Mondragon Group invested \$214 million in the co-operatives, a 42.9 per cent increase over the previous year.

Trabajo y Union is available from Ikasbide, Apartado 39, Aretxabaleta, Gipuzkoa, Spain; (Phone) 79 79 79.

HUNGARY New rules for co-ops

Budapest (CICOPA)—The rapid changes occurring in Hungary's economy are presenting a challenge for worker co-operatives. Under the 'law of trans-

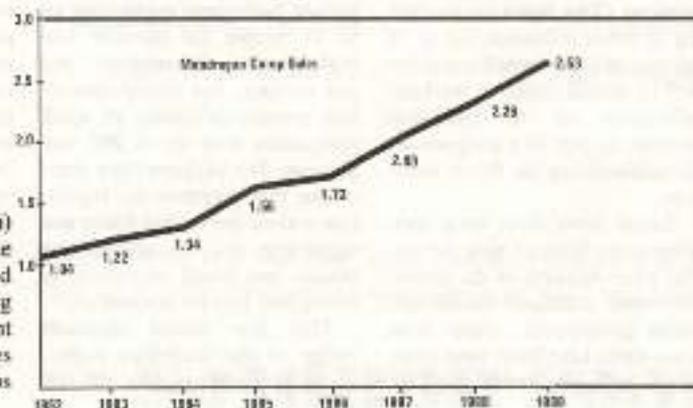
formation,' each existing enterprise — including co-operatives — can choose what corporate form it wants to take. A co-operative could, for example, convert to a joint-stock company or a limited company.

According to Hungarian expert, Istvan Lendvai, in an analysis presented to CICOPA (the International Committee of Producers' Co-operatives in the International Co-operative Alliance), the law of transformation will result "in a competition of different corporate forms, and the more attractive forms of operation will be the ones which facilitate a more rapid and flexible market adjustment."

Lendvai also states that worker co-operatives will "get a completely free hand in utilizing their accumulated assets. They can decide what part of the assets is distributed among members and what part is kept for reserves." For other types of co-operatives "half of the collective reserve will be distributed among members as negotiable shares."

The management of co-operatives is changing in order to adapt to the new economic rules in Hungary. Lendvai says that co-operative activity fits well within the new Hungary and that members of co-operatives are supporting the changes.

The Blue Ribbon Commission on the Hungarian Economy (an international group of experts) has released a report advocating a rapid transformation to a free-market economy. It is still unclear what strategy the Hungarian



government will take in privatizing state enterprises — whether the change will involve a quick “giveaway” to private interests or whether some form of “social property” will be maintained to protect the public interest.

For more information on Hungary, Istvan Lendvai can be contacted via the International Co-operative Alliance, Route des Morillons 15, 1218 Grand-Saconnex, Geneva, Switzerland; (022) 98 41 22.

ZIMBABWE Free market concerns

Harare (Vanguard) — Zimbabwe's parliament has approved legislation that will give co-operatives more autonomy and a “greater role in the economy.” The Minister of Community and Co-operative Development, Joyce Mujuru, has announced plans to set up a “locally staffed management consultancy service, that would require local experts to go out into the field to advise and help co-operatives.”

The Minister also announced plans for a co-operative college to provide practical training for “ordinary co-operators without higher-education qualifications.” These proposals are part of a government plan to “increase efficiency” in co-operatives and to assist them “to play a greater role in the economy.”

In response to spiralling unemployment and a shortage of investment, Zimbabwe's government is encouraging a free-market strategy. There is concern in the worker co-op movement (OCCZIM) about the impact of the government's economic proposals. Consequently, OCCZIM is investing \$900,000 over the next year in measures that include: better recognition by government; continuous education and training; getting seats on marketing boards; exchanging skills among co-operatives; opening new markets; and strengthening its international



relations, including those with Canada. As part of this strategy, there will be a direct investment of \$117,000 in promotion and publicity, including a stepped-up role for *The Vanguard* newspaper.

Subscriptions, \$10.50 annually, may be obtained by writing to *The Vanguard*, Box 66102, Kapje, Harare, Zimbabwe.

INDIA 1.36 million weavers

New Delhi — Industrial co-operatives provide opportunities for creating new employment in India, according to D.D. Sharma, managing director of the National Federation of Industrial Co-operatives. India already has a large industrial co-op sector, but Sharma says much of it is “dormant.”

In sheer numerical terms, the size of India's industrial co-op sector is staggering. There are 15,202 weavers' co-operatives with 1.36 million members and 38,057 other primary industrial-co-operative societies with 2.26 million members. The weavers' co-ops have annual sales of 4.5 billion rupees (Rs.) and working capital of Rs. 2.7 billion; the other industrial co-operatives have annual sales of Rs. 3.38 billion and working capital of Rs. 2.26 billion.

Sharma notes, however, that with the exception of co-operatives in processing industries

(e.g., sugar), members of industrial co-operatives “are of weaker sections of society, who are below the poverty line.” They lack the capital to purchase raw materials in bulk and depend upon “middle men” for their supply of materials and the sale of their products. The intermediaries “take away the lion's share of profits.”

“Artisans,” Sharma says, “are not exposed to external markets beyond their area of work.” As a result, they miss out on new designs and lose potential markets.

In spite of these concerns, Sharma foresees potential for overcoming these problems and expanding the industrial co-op sector.

For more information, D.D. Sharma can be contacted via the International Co-operative Alliance, Route des Morillons 15, 1218 Grand-Saconnex, Geneva, Switzerland; (022) 98 41 22.

ISRAEL The Methuselah effect

By Uriel Leviatan

Haifa — Life expectancies on the Israeli kibbutz are among the highest in the world — 82 years for women and 78 years for men — and have increased by more than three years since 1977. Research has shown that the kibbutz system of democratically-managed work

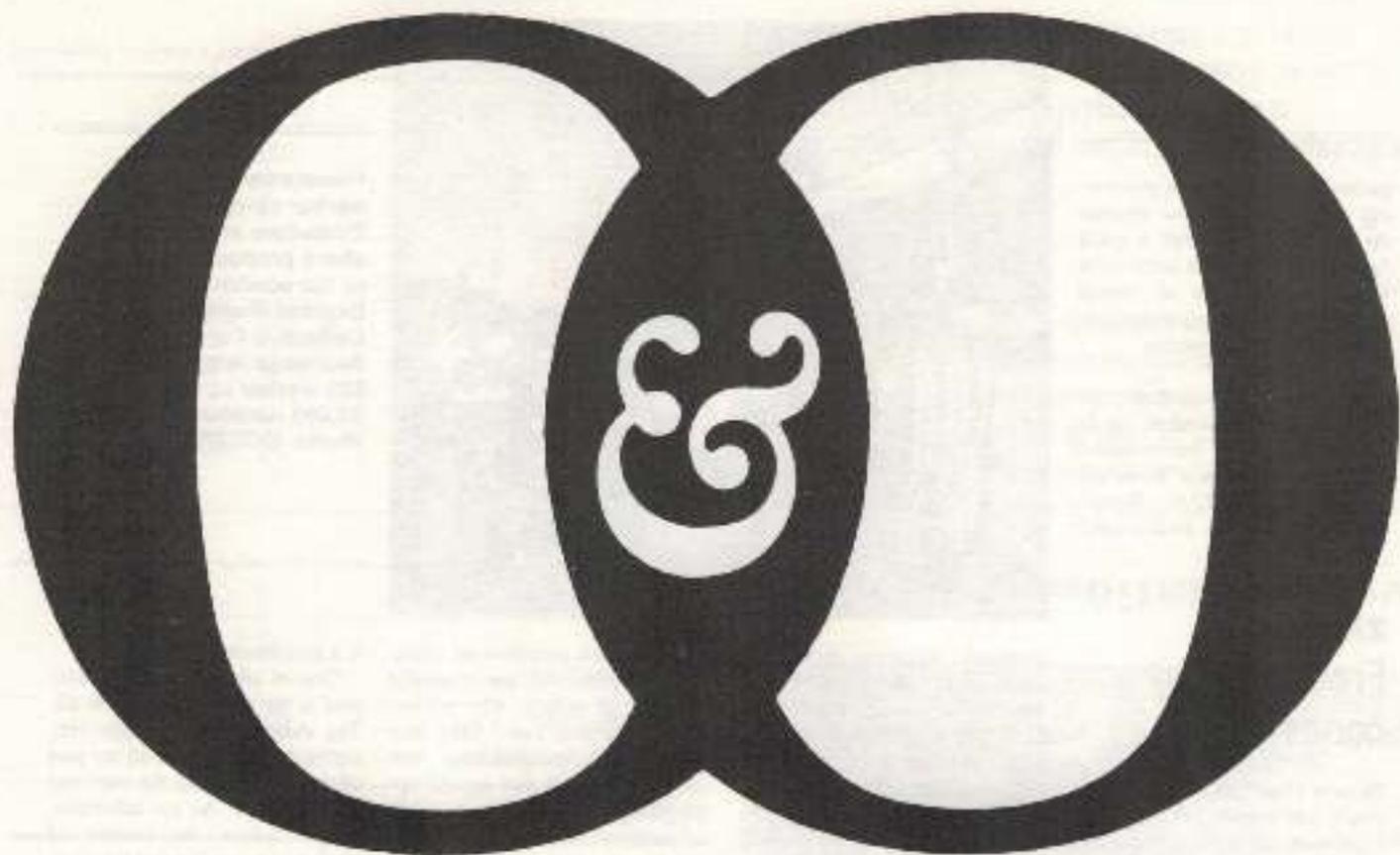
Freemarket jitters: The worker co-ops in Zimbabwe are nervous about proposed changes to the economy. Super Express Transport Collective Co-op in Bulawago is among the 600 worker co-ops with 50,000 members. Photo: OCCZIM/Paton

is a contributing factor.

One of kibbutz central principles is the right of work for all. The elderly take this right very seriously, and almost all are part of the workforce to the very end of their lives. As age advances, people reduce the number of work-hours per day and the number of work-days per year. At the age of 65, members work only half-days. However, it is very common to encounter workers at the age of 80 and 85, and even 90.

Most kibbutzim have established workshops or departments in existing enterprises that allow their aged members to work within their limitations. There is an emphasis on comfort and easy physical work. Examples are: packing and shipping departments in kibbutz factories, assembling electrical parts, workshops for artistic artifacts, etc. Some of the elderly work side by side with younger members, in clerical and accounting positions, and as teaching assistants. As the kibbutz has evolved from communities of youth to a multi-generational society, with an average 10 per cent of members at least 65 years, innovative methods are being used to ensure that all people can contribute as they are able.

Uriel Leviatan is a professor at the University of Haifa's Institute for Kibbutz Studies, where he specializes in aging. He is a middle-aged member of kibbutz Ein Hamifratz, Doar NaAshrat, 25210 Israel; (Phone) 852417.



The rise and fall of a great idea

By Frank Lindenfeld

When two former A&P stores were reopened as worker-owned supermarkets in Philadelphia in 1982, hopes for their success were high. Within several years, the two pioneer O&O (worker-Owned and -Operated) stores were joined by four additional markets. At first, the O&Os prospered. The excellent sales record of the first two stores was even noted in the *Wall Street Journal* (Aug. 18, 1983). Yet by 1989, only Parkwood Manor, one of the original two O&Os, remains.

What happened to this effort to build a network of worker co-operatives? Why have five out of six O&O markets gone out of business?

Chain closings

The O&O network was developed in a context of supermarket closings. In the highly competitive retail-food business, rising costs led three chains to shut down about 200 supermarkets in the Philadelphia region between 1976 and 1982. About 6,000 workers lost their jobs. In 1982 alone, A&P laid off 2,000 employ-

ees, virtually shutting down its operations in the Philadelphia area.

Wendell Young, president of the retail clerks' local of the United Food and Commercial Workers Union (UFCWU), the major union for supermarket employees in the region, proposed to A&P that UFCWU members buy 21 of the stores. At first, the bid was refused. But in subsequent negotiations, the union reached an agreement with A&P to reopen about 50 of its stores as the Super Fresh chain in exchange for wage concessions.

As part of the deal, Super Fresh was to institute a 'Quality of Work Life' program to increase employee participation in managing the new stores. Also, employees were to receive a one per cent bonus based on Super Fresh sales revenues, 35 per cent of which was to be contributed to the newly established O&O Investment Fund to further employee ownership. This arrangement was negotiated by the retail clerks' union led by Young, representing about 80 per cent of the supermarket workforce. However, the



Darby O&O Supermarket (no longer operating as an O&O).

elite meat cutters, in a separate union local, successfully resisted giving up part of "their" bonus to the O&O Fund. The retail clerks, who saw the butchers keeping 100 per cent of their bonus, subsequently voted to make contributions "voluntary." Little money was ever contributed to the O&O Fund.

At the same time, the union secured an option for its workers to buy two former A&P locations. These became the Parkwood Manor and Roslyn O&O markets, which opened late in 1982. Workers at each of these two stores formed a corporation controlled by themselves collectively. Each worker contributed \$5,000, most of it borrowed from the UFCWU credit union, to provide part of the capital for the buyouts.

O&O classes

Soon after A&P announced plans to close most of its Delaware Valley markets, the UFCWU commissioned the Philadelphia Association for Co-operative Enterprise (PACE) to undertake an education and training program for prospective worker-owners. More than 600 workers attended the initial classes. However, when A&P opened its Super Fresh stores, most of the workers opted for 'company' jobs. PACE continued its education and training program with a smaller group of about 50 union members who went on to develop the Roslyn and Parkwood Manor O&O stores.

Subsequently, with the help of PACE, four more stores were added to the O&O network at Strawberry Mansion, Darby, Upper Darby and nearby Lambertville, New Jersey.

PACE, under the guidance of its directors, Sherman Kreiner and Andrew Lamas, tried to organize the O&Os into an association, modelled on the Mondragon group in the Basque region of Spain. This association would provide mutual aid and economies of scale in purchasing, advertising, insurance and other services such as worker training. Like the proposed O&O Fund, however, the umbrella association never became fully functioning.

Initial success

Both Roslyn and Parkwood Manor were successful from the start in attracting customers and attained a higher level of sales than the A&P markets they replaced. To keep costs down, the workers agreed to pay themselves less than they had been getting at A&P, but with the incentive that as owners they would share



in future profits. The project was enthusiastically supported by the UFCWU. Worker-owners in both stores participated in the planning process before the markets opened, including selecting a manager, and continued to take an active part in store committees afterwards. Policy decisions were made by a worker-elected board of directors to whom the managers were responsible. In place of a rigid division of labor, the O&O workers agreed to help out wherever needed, including bagging groceries and cleanup.

The flagship

Roslyn's 24 original worker-owners were experienced supermarket employees, though none had a previous business background. All except three worked full-time. As the business expanded, Roslyn eventually hired 24 workers who did not belong to the co-op, mostly as part-time help. With annual sales of \$8-9 million, Roslyn appeared to be the most successful of the worker-owned markets.

By 1988, however, Roslyn was running into difficulties because of an increasingly competitive situation. The opening of Super Fresh and Pathmark supermarkets nearby took away some of its customers. Roslyn remodelled twice, sinking in \$500,000, but it was no match for its giant competitors who could afford to pour five times as much money into renovations and modernization. To reduce labor costs, the Roslyn O&O agreed to buy out five of its worker-owners for \$150,000. This created an added expense at the same time as sales were declining because of strong competition. Also, Roslyn's wholesale supplier tightened its credit. A combination of

The O&Os faced fierce competition from the large supermarket chains. Lacking financial reserves, they were very vulnerable to unexpected expenses. Photos: PACE of Philadelphia

these problems forced the store to close in 1989.

The success story

Parkwood Manor O&O in northeast Philadelphia was somewhat smaller than Roslyn. It began with about 20 worker-owners, but within a few years its sales of about \$5 million per year were providing jobs for about three dozen workers. The additional employees were part-timers who were not provided with an opportunity to buy into ownership. Parkwood Manor faced more adverse market conditions from the beginning than the Roslyn store, forcing its workers to extra effort to keep their business going. Soon after opening, its workers agreed to the manager's suggestion of a temporary wage cut (long since restored). In 1988, it successfully survived the challenge of competition from the huge Carrefour market, which opened a half-mile away. Sales slipped by about 10 per cent.

Crucial to the success of Parkwood Manor O&O has been the competent



Photo: Bill Green, O&O
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 Photo: Bill Green, O&O
 Photo: Bill Green, O&O

A man with a vision: Sherman Kreiner, former director of PACE, was a driving force behind the O&O dream to build a network of worker-owned and -operated supermarkets in the Philadelphia area.



leadership of manager Joe Offner, working with a team of experienced department managers. A former A&P employee, Offner has managed the market from the start. He is respected by the Parkwood Manor worker-owners as "one of us." According to Offner, "First, foremost and always, this store is run like a business." Under his leadership, the Parkwood Manor worker-owners have pulled together, putting the good of the enterprise above the personal interests of any one employee.

A rough ride

The Parkwood Manor O&O purchased another former A&P in Lambertville, New Jersey, in 1984. The purpose of this move was to reduce labor costs at Parkwood by transferring some of its members. The purchase also provided career advancement for some Parkwood workers who became department managers at Lambertville. The Lambertville O&O, with 18 workers, was smaller than the other markets. By the end of 1986, the Parkwood Manor workers realized they couldn't cope well with running two stores. They decided to sell the New Jersey market.

To keep Lambertville in the O&O network, PACE and the Roslyn workers established a joint venture to buy that store in 1987. After the first year, the supermarket was to be turned over to its workers through an employee stock-ownership plan. At first, Roslyn tried to spread one manager over two locations, though eventually there was one for each market; Roslyn manager Rick Cassell left to work full-time at Lambertville.

The \$2.5 million annual sales of the New Jersey O&O market, however, were inadequate to cover expenses. Large corporations like A&P can sustain losses of 3-5 per cent for the first years of a new store. The Lambertville O&O lacked reserves to ride out its initial lean years, and it lacked enough capital for upgrading and renovations. It ran out of money in 1989 and had to go out of business.

A big disappointment

Strawberry Mansion was hailed as a pathbreaking venture when it opened in July, 1985. It was a new supermarket, not merely a buyout of one closed down by its former owners. Moreover, it was the anchor tenant in the newly built Strawberry Square shopping centre, located in a north Philadelphia ghetto. The shopping centre was put together by the city of Philadelphia. After being turned down by various chains, such as Thriftway and Super Fresh, the city administration invited PACE to plan the centre-piece supermarket. At PACE's suggestion, the new store was to become part of the O&O network. It was to be worker-owned, with half the employees recruited from the market's neighborhood. Financing for the deal came from a combination of banks and public agencies.

Strawberry Mansion O&O began with 33 full-time and 47 part-time workers. The initial high hopes for the store were soon frustrated; the market was to survive less than two years. One problem was that many of its workers were inexperienced in the supermarket business. Linked with this was the city of Philadelphia's insistence that a large portion of the workforce be recruited through the Strawberry Mansion Citizens Participation Council. The city gave the chairperson of that group a permanent seat on the nine-person board of directors of Strawberry Mansion O&O. This enabled the community leader to function as the unofficial, *de facto* president of the board. Regardless of who held the official titles, he dominated the board and resisted the development of any competing leadership. Board interference compounded the problems of poor management.

From the first few months, for example, it was apparent that sales at Strawberry Mansion would not support the initial number of jobs. The community representative used his influence on the board, however, to keep the supermarket from laying off employees in a timely manner. By September, 1985, PACE

recommended a new business plan to the Strawberry Mansion board and proposed that the manager be replaced. The board did appoint a new manager and by March, 1986, cut the workforce by 25. But by then it was too late because the market had already lost a lot of money. By the end of that year, the business filed for bankruptcy.

A quick exit

Both the Darby and Upper Darby O&Os began in November, 1986, as buyouts of Philadelphia-area independent groceries that had closed. The worker-owners made many improvements after they purchased these markets. Together, the Darby and Upper Darby O&Os provided employment for about 80 worker-owners. Although gross revenues under employee ownership were higher than those attained by previous operators at the same locations, these stores never achieved the sales required to sustain operations. Darby O&O went out of business only 17 months after purchase by its workers; the Upper Darby O&O lasted a year longer.

Again, these business failures can be attributed to a number of different causes. Both supermarkets lacked capital to modernize extensively and to tide them over a low initial period. They were both squeezed by the tight credit policy of their wholesale supplier, Wetterau Co., which made them vulnerable to relatively small unanticipated expenditures. What finally killed the Darby O&O market was a \$50,000 real estate tax-bill payment, which left the store without enough money to pay for inventory to restock its shelves.

The upside

What lessons can be drawn from the eight-year history of the worker-owned O&O markets? Let us start with the positives:

1. The O&Os maintained some 200 jobs for a number of years at several markets that had been closed by their previous owners. Almost half the employees at these stores held full-time jobs, while at most supermarkets in the United States only 20 per cent work full-time.

2. Parkwood Manor is still going strong, in a competitive environment dominated by giant chains.

3. The O&Os demonstrated that worker control can lead to lower costs in certain areas of operation. The O&O workers took pride in their markets and



Workers at the Parkwood Manor O&O Supermarket in Philadelphia. Parkwood opened November 12, 1982, and is still going strong.

consistently put in extra effort when needed. They did not hire as many supervisors as A&P, because worker-owners don't need to be watched by bosses to perform well. There was also less waste and less pilferage than at corporate-owned supermarkets.

4. All the workers at the O&O markets were union members. The O&Os therefore show that employee ownership is compatible with unionization.

5. The help of external organizers was vital to the development of the O&O stores. The leadership and vision of UFCWU local president Wendell Young encouraged some of the laid-off workers to consider worker ownership as an option. PACE helped with worker education and training, as well as with financing arrangements and legal structure. Without such external help, it is doubtful there would have been any worker-owned supermarkets in Philadelphia.

The downside

But there are also negatives that explain why all except one of the O&O markets had closed by 1989:

1. In the retail food industry, competition is stiff, profit margins low, and modernization expensive. Despite the fact that they reinvested surplus earnings in their businesses, the O&O markets did not have enough money to match the modernization efforts (e.g., computerized checkouts) of the giant corporate chains. Lack of a cash cushion prevented most of them from coping adequately with unanticipated expenses and made it more difficult to adjust to the tighter

The workforce of the Parkwood Manor O&O on Grand Opening Day, November 12, 1982.





Happier times at Philadelphia's O&Os. At one point, there were six O&Os, but adverse circumstances have felled five of the stores.

UFCW Local 1357 staff at the Roslyn O&O grand opening, October, 1982. (L to R): Bob Wolper; Wendel Young, pres.; Pat Scarell, John Nicholson.



credit terms instituted by their wholesale supplier.

2. The "me first" attitude of a majority of the supermarket workers, reinforced in numerous ways by the existing American culture, made them unwilling to support the O&O Investment Fund. Union officials and PACE staff had hoped that this fund would be a major alternative source of capital to assist buyouts and start-ups of employee-owned firms. Achieving support for an investment fund like the O&O might require greater union efforts to promote worker solidarity. Unions could also support such a fund by negotiating for mandatory contributions of so many cents for each employee-hour worked within corporate-run units.

3. A related point is that at the first two O&O stores, workers became owners without developing a sense of solidarity and a vision of extending the benefits of ownership to all future employees. The original worker-owners at Roslyn and Parkwood Manor tended to develop a "worker capitalist" outlook. They were unwilling to accept new employees as full owners because that would have diminished their share of actual or potential profits. At Roslyn, some part-timers petitioned the board for the right to join as owners, but were repeatedly turned down. Thus, these stores began to develop a two-class system of privileged

full-time worker-owners and less privileged part-time employees who were not owners. The system was changed at Strawberry Mansion, Darby and Upper Darby at the suggestion of PACE. After a 60-day probation period, all workers at these markets became owners through an employee stock-ownership plan.

Management problems

4. The O&O stores that closed did so because of a number of problems, some of them not so different from those faced by better financed capitalist corporations that find it necessary to close supermarkets. However, a thread that connects O&O business failures was poor management. This was most apparent at Strawberry Mansion where there was considerable interference in managerial decisions by the board of directors. Small undercapitalized firms, including most worker co-operatives, cannot afford to make as many business mistakes as larger corporations.

At some of the O&O stores, optimistic sales projections led to hiring more workers than could be supported by each market's income. When other cost-cutting measures did not produce results, it became necessary to reduce labor expenses. Quick action by Parkwood Manor manager Joe Offner to persuade his co-workers to accept a temporary wage cut soon after the store's opening is a case in point. In other O&O stores, their managers seemed unable to cut labor costs in a timely way to keep expenses in line with revenues.

A final thought

Based on its experience with the O&O stores, PACE plans to continue consulting on worker-owned supermarkets and other worker-owned companies, according to its director Andrew Lamas. It has no plans at present, however, to develop more O&O markets. ■

Frank Lindenthal is a sociology professor at Bloomsburg University, Bloomsburg, Pennsylvania 17815; (717) 389-4221. He is co-editor of *Workplace Democracy and Social Change* (Boston: Porter Sargent, 1982) and co-author of *A New Earth: The Jamaican Sugar Workers' Co-operatives, 1975-1981* (Lanham, Maryland: University Press of America, 1985). He is also co-editor of two forthcoming books: *From the Ground Up: Essays of C. George Benello* (Boston: South End Press) and *Creating Democracy at Work: A New Grassroots Movement* (Philadelphia: New Society Publishers).

DOLLARS & SENSE

The issue of pay scales

By Paul Wilkinson

Worker co-operatives have been sympathetic to the principle of equal salaries for members, but practical problems can stand in the way of this ideal. For the Co-opérative forestières des hautes-laurentides in Mont Laurier, Québec, salaries depend upon the kind of work. Québec forestry co-ops carry out three very distinct kinds of work: harvesting, tree planting and the growing of seedlings. For harvesting and tree planting, salaries are based on the quantity of work completed. For seedlings, all members are paid \$7.00 per hour, with non-members receiving 25 cents per hour less.

Co-operative forestières des hautes-laurentides is non-unionized. By comparison, Vent Air Industries, a unionized Winnipeg company that installs commercial heating and ventilation systems, follows the rules of its union contract. The rates, negotiated by Local 511 of the Sheet Metal Workers' Union, are comparable to those paid in the industry. As in other unionized situations, the rates are standardized according to 'classification,' with a 'journeyman' receiving \$20.09 per hour. According to Roy Kubic, manager of Vent Air, having a union within the co-operative has not resulted in any problems.

CRS Foods of Vancouver, an organic-foods wholesaler, has introduced social considerations into its pay scale. While there is a single base rate of \$1,450 per month for entry-level jobs, persons with dependents are paid \$220 additional per



month for each dependent, up to a maximum of two. In addition, CRS pays seniority increments of \$100 per month for the first five years of employment. After that, seniority increments are paid at the end of the 7th, 10th, 15th and 20th years. The CRS base rate of \$1,450 is somewhat above the industry standard, which makes it difficult for the co-op to remain competitive with companies paying lower wages. Nevertheless, CRS is a thriving business.

Pacific Share Collective of Victoria, another organic-foods wholesaler, has a base rate of \$7.00 per hour. However that rate may increase to \$9.00 per hour on the basis of points which the co-op allocates for experience and acquired skills. In addition, PSC guarantees that members' salaries will increase each year according to the cost of living.

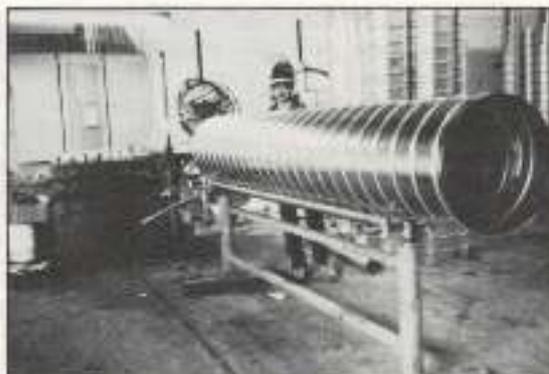
Performance counts

Salary adjustments based on performance are also a feature of PSC's policies.

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At Auxi-Plus (above), all members receive the same pay.
Photo: Auxi-Plus

At Vent Air, pay rates are determined by a union contract.
Photo: Vent Air



DOLLARS Cont'd

These adjustments are based on an annual review of each member, carried out by the management team. The results of this performance evaluation are combined with seniority and the value of each job in determining each member's salary adjustment. Nick Orton, PSC's warehouse manager, points out that a member may submit an application for a pay increase at any time. These applications are dealt with by the board of directors, in the same manner as other recommendations for salary adjustments.

In the Prince Edward Island Potato Chip Co-op, a production plant in the Acadian section of the Island, all line-workers are paid at least \$6.92 per hour. Members are paid \$1.00 per hour more than non-members. Manager Alcide Bernard emphasizes, however, that for those not working on the line, the pay rate varies according to the job done. Salaries for all jobs at the Potato Chip Co-op are comparable with market rates.

In each of the two other co-operatives which were surveyed, all "members" are paid the same salary. Both Auxi-Plus of Montréal and Cape Care of Sydney, Nova Scotia, are homecare co-operatives. They provide support services



Registered nurses and nursing assistants hired by Cape Care, a Sydney home-care co-op, are paid according to their educational qualifications. Credit: Cape Care

such as light housework, meal preparation and personal hygiene to senior citizens and others who require assistance but wish to remain living at home. Auxi-Plus pays its members (who have completed a government course and 1200 hours of work in the co-operative) \$6.70 per hour, while Cape Care pays its members \$5.00 per hour. Although members are all paid at the same rate, manager Marie MacDonald of Cape Care stated that registered nurses and certified nursing assistants hired by the co-opera-



tive are paid at different rates, based on their educational qualifications.

A big problem

When it comes to the remuneration of managers, the conflict intensifies between the ideal of equality and payment based on market values. Conventional business culture tends to place a high value on managers, as opposed to workers. To retain their managers, worker co-operatives are under considerable pressure to increase managerial salaries to the market rate. Yet doing so conflicts with the co-operative ideal of equality. Advocates of equal pay argue that not only managers, but also others have responsibilities which should be recognized. CRS, which has recently struck a committee to review its salary structure, intends to inquire into the need for salary differentials based upon 'responsibilities.' At the present time, CRS allows a maximum salary differential of 1.5 to 1, which may soon be changed to 1.75 to 1. In actual practice this works out to a management differential of \$296 per month. Marty Frost, CRS's general manager, laughingly comments that in a worker co-operative "it's the managers who need a union. The manager's responsibility just isn't recognized."

PSC is somewhat similar to CRS in the way it deals with managers' salaries. At PSC a wage differential of 2 to 1 is allowed, with managers receiving \$125 per month extra. While this amount is somewhat less than under the CRS arrangement, PSC managers also receive financial incentives related to their seniority as members in the co-operative.

Persons with dependents receive additional pay at CRS, the largest organic-food wholesaler on the west coast. The highest paid member can make only 1.5 times more than the lowest paid member. Uprising Breads, part of CRS, participated in a Vancouver peace march. Credit: CRS

Of the co-operatives surveyed, CRS and PSC had the most explicit policies with respect to managers' salaries. Roy Kubic indicated that Vent Air had not set a maximum salary differential. He stated that the manager's salary tended to follow the union payscale. Louise Langdeau, director of Auxi-Plus, said that the manager's salary could not be more than twice that of members.

Rejan Millaire, general manager of Co-operative forestières des hautes-laurentides, indicated that in his organization a manager's salary is based upon the degree of responsibility, which is re-analyzed on an annual basis. He further pointed out that although a manager's salary tends to be lower in worker co-operatives, there are other compensations. "We can say what we think about the way the co-op's going, and we are a part of an organization that has room to make its own decisions."

What about benefits?

When it comes to the distribution of dividends and member benefits, co-operatives vary widely. Most co-operatives distribute dividends based on hours worked, although the co-operative forestières des hautes-laurentides and Vent Air do it according to salary. PSC, on the other hand, has developed a very different approach. This system, which was implemented two years ago, distributes surplus according to seniority in the co-operative. A person who has been a member for several years would be entitled to a higher percentage than a new member. Eighty per cent of the surplus is divided in this manner, with the remaining 20 per cent being divided equally.



Morning break at the Potato Chip Co-op in Urbainville, Prince Edward Island. Salaries are based on the market rate, and members are paid more than non-members.

For most co-ops, member benefits are limited to what is required by law. Generally, this means that the co-op pays the employer's share of unemployment insurance, medical insurance and Canada or Quebec Pension. (In Quebec, the employer pays 100 per cent of medical insurance.) At Co-operative forestières des hautes-laurentides, members also receive more than the minimum for vacation pay, sickness pay and paid holidays.

With CRS, the benefit package includes such things as dental care and member education. CRS encourages member education by paying the tuition fees for a wide variety of courses and by allowing time-off with pay for approved work-related courses such as interpersonal communication and conflict resolution.

PSC's Nick Orton described his co-op's benefit package as "very generous." Some of the benefits PSC members receive are as follows: 100 per cent of medical insurance after three months; full dental, disability and life insurance cov-

erage; liability insurance; the right to buy groceries at 10 per cent below wholesale prices; and the use of company vehicles after hours.

The achievement of salary equity in a market-oriented society is not easy. In most situations, it has been necessary for co-ops to base salaries on the kind or quantity of work rather than on a standard of absolute equality. While co-ops may wish to pay all members a decent living salary, they have to survive in a competitive world where some conventional employers pay only the minimum wage. Similarly, co-ops may wish to limit the earnings of managers and highly skilled personnel, yet they have to face a labor market which rewards managers much more richly than workers.

In spite of these pressures, the co-ops in this survey have been very creative. They have accommodated to market demands, while innovating methods to restrain salary differences. CRS's dependents' supplement and PSC's system of surplus distribution exemplify these innovations. ■



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At Coopérative forestières des hautes-laurentides, pay for harvesting is based on the quantity of work.

New Ground for Labor

CSN unions organize Québec ambulance co-ops



CSN savings and loans societies (caisses populaires) have played a vital role in providing financing for social projects. Pierre Marin is general manager of the large CSN Caisse Populaire in Montréal.

■ The first ambulance co-operative in Québec began operating on the South Shore of Montréal in January, 1988, under the name, *Coopérative des techniciens ambulanciers de la Montérégie (CETAM)*. It was organized through the initiative of workers of four different employers, who were in an ambulance technicians' union affiliated with the CSN (the *Confédération des syndicats nationaux*, a 250,000-member labor confederation of 2,075 union locals¹) and with the assistance of the CSN's 'Consulting Group,' consisting of professional business consultants who provide high-quality technical aid to workers.

The first ambulance co-operative followed a period of difficult labor relations. From 1983 to 1985, three ambulance technicians' unions were formed in the Montréal area and affiliated with the CSN. Among the problems encountered were the employers' month-long refusal to negotiate, government decrees, special legislation, dismissals, special arbitration tribunals to determine working conditions and to deal with dismissals. In short, the situation was complex and relations were tense.

In June 1986, the three ambulance-technicians' unions merged into *Rassemblement des employés techniciens ambulanciers du Québec (RETAQ)*, and shortly after that the union signed a collective agreement.

However, workers on Montréal's South Shore had decided to proceed with

a worker co-operative, and within a year of the first collective agreement the employers had accepted the workers' offer to purchase. At the same time, the unionization of ambulance workers spread to other regions of Québec. Unions were formed in Saguenay-Lac St. Jean, the Gaspé area, the Québec Northwest, the Lower St. Lawrence, Québec City, Sherbrooke and the Ottawa Valley.

Nationalization

In February 1988, RETAQ submitted a brief to the Québec government in which it proposed that ambulance services be nationalized and viewed as a pre-hospitalization service rather than merely as emergency transportation. The Québec government accepted this proposal for the Montréal-Laval region, but not for the rest of the province. A draft bill was tabled, resulting in the creation of a para-governmental organization, *Urgence-Santé*, which became responsible for ambulance services in Montréal-Laval. Ambulance technicians in this area became salaried employees of *Urgence-Santé*.

However, providing a sufficient number of well-maintained vehicles continued to be the responsibility of private owners, based on service contracts negotiated with *Urgence-Santé*. Meanwhile, a second ambulance worker co-operative, the *Coopérative des travailleurs du service ambulancier de Montréal (CTSAM)*, was formed in Montréal, on



The CSN labor confederation in Québec has 250,000 members in 2,075 union locals. The CSN has made economic democracy a central aspect of its program. Pictured here is the Montréal branch of the CSN Caisse Populaire (savings and loans society).

Ambulance Worker Co-operatives in Québec

Region	Members	Vehicles	\$000,000 Investment	Market-Share %
Trois-Rivières	65	12	1.45	46
Québec-Chicoutimi	120	17	2.45	90
South Shore	150	27	2.41	55
Montréal-Laval	867	164	12.50	100

the territory covered by Urgence-Santé. By July 15, 1989, the CTSAM had acquired all ambulance and medical vehicles in Montréal-Laval. Under this arrangement, the ambulance technicians became employees of the Urgence-Santé, but continued to be members of their co-operative, which assured vehicle availability and maintenance on the basis of a service contract negotiated with Urgence-Santé.

Over a 13-month period, the CTSAM made eight acquisitions that affected about 800 ambulance technicians. The co-op acquired a fleet of 132 ambulances and 32 medical vehicles, which will cover about 12 million kilometres in the coming year. By comparison, Autibus Voyageur (the Voyageur Bus Company) has 75 buses in Montreal, that will cover 25 million kilometres travelling between cities.

Subsequently, two more co-operatives were formed in the regions of Québec-Chicoutimi and Trois-Rivières. These ambulance co-operatives have a complete worker co-operative structure; the co-operative owns the ambulances, and the drivers, technicians and maintenance staff are members. The initial investment by workers is about \$1,000, and the three co-operatives located outside Montréal-

Laval are responsible for full management of ambulance services. It is only in Montréal-Laval that there is a para-governmental organization for the service.

Elsewhere in the province, ambulance companies must operate within government standards, and their invoiced revenues are based on criteria set by the Social Affairs Department. Each company operates in an exclusive territory and handles all calls in that territory.

Worker co-operatives now handle two-thirds of the ambulance business in the province of Québec. And at the time of preparation of this article, a fifth ambulance co-operative is about to be launched in Hull. Nevertheless, we are not pursuing a strategy to convert the province's entire ambulance business into worker co-operatives. Each co-operative is the subject of a feasibility study, and therefore must

stand on its own merits.

The CSN's vision

Throughout the ambulance conversions, the CSN Consulting Group has attempted to monitor carefully the response of the workers to this organizational change. Support for the co-operatives is strong among the ambulance technicians. In response to a recent survey, 70 per cent indicated that they would not "return to work in a traditional company," and only eight per cent said that they would. Furthermore, 77 per cent of the workers agreed that there was "more justice in their co-operative than in a traditional company." For Jacques Blais, president and director of the South Shore Co-op, both co-operative and union movements go hand-in-hand. "For us, the union is the watchdog of democracy. Not only is the collective agreement

Photos: CSN



In three years, the CSN Consulting Group has saved 4,500 jobs through early interventions and organizing worker co-ops. Pictured here is Gilles Blais (centre), president of the Montréal ambulance co-op, one of the CSN projects.

New Ground Cont'd

respected, but it has also created a better spirit of work and collaboration. Here, everyone is expected to have ideas and suggest solutions."

For the CSN, the decision by some of its members to launch worker co-operatives is part of a broader struggle by workers to control and recover their jobs, as well as to ensure greater democracy in the workplace and in workers' daily lives. The right to work and the dignity of workers are the foundations of union action. This is why the unions affiliated with the CSN have always promoted tools for economic and social action over which they could have control.

To control savings, credit unions ("caisses") were set up in workplaces. About 200 groups of workers affiliated with the CSN now take part in some 60 credit unions. These are among the 140 credit unions affiliated with the central federation of Quebec's credit unions — the Fédération des caisses d'économie Desjardins, with consolidated assets of \$1.3 billion.

With respect to the CSN's social projects, two particular savings and credit organizations — the Caisse d'économie des travailleuses et des travailleurs de Québec (Québec Workers Credit Union) and the Caisse populaire des syndicats nationaux de Montréal (CSN Savings and Loans Society of Montréal) — have taken the lead in providing financing. These organizations, democratically controlled by their users, provide personal loans to members and invest in collective projects. Over the years, \$30.5 million has been invested in housing co-operatives and other forms of social housing, \$2.5 million has been spent on community groups and \$23 million has been invested in worker co-operatives.

The CSN has taken a strong role in assisting the formation of worker co-operatives. Clément Guimond, coordinator of the Caisse d'économie des travailleuses et des travailleurs de Québec, emphasizes this point: "We must not forget that everything grew out of the union, for it is there mainly that current projects are germinating. These projects would not see the light of day

without the culture they experience within the CSN, which is based, to a considerable extent, on workers assuming greater responsibility and taking greater control over their own lives."

The Consulting Group

The decision to create its own consulting group has been a critical factor in the CSN's worker co-operative projects. The economic recession at the start of the 1980s made jobs vulnerable in a number of economic sectors. Therefore, we had to invent and devise new tools that could put us in a better position to meet needs closely related to the question of jobs.

In this context, the Consulting Group for the maintenance and creation of employment was created in 1986. An increasing number of workers, among them the victims of plant closings, were trying to create jobs over which they would have real control.

The idea is gradually gaining acceptance that workers must know much more about their company or plant. Decisions are being made that have an effect on their jobs and the quality of their environment.

Far too often, low profitability and poor productivity stem from a failure to follow market developments and from a chronic failure by employers to reinvest in research and equipment. Such situations can lead to job losses; we must be able to see difficulties coming and be able to negotiate provisions for avoiding disasters. It was to meet this need that the CSN decided to make high-quality technical aid available to union members through their own consulting group. By placing the Consulting Group in line with and complementary to union action, we have made it an effective, credible tool. For Normand Campeau, director-general of the Consulting Group, "whether it is a matter of facilitating the negotiation of solutions and alternatives when jobs are threatened, of defining conditions for reopening a plant or relaunching production, or of conducting a feasibility study on forming a worker co-operative, the technical advice and accompanying measures are much appreciated by workers and their union."

The CSN Consulting Group presently involves seven professionals with such specializations as marketing, finance, accounting and management. In addition, the services of highly specialized consultants are used as needed.

The original financing for the Consulting Group came from an Innovations grant by the federal government. At present, financing comes from fees for services, both from CSN locals and external clients, the CSN itself and government contracts to study market diversification.

The board of directors of the Consulting Group is made up of the leaders of the professional federations in the private sector affiliated with the CSN, the CSN itself, the Caisse populaire des syndicats nationaux de Montréal and the Caisses d'économie des travailleuses et des travailleurs de Québec. The director-general of the Fédération des caisses d'économie Desjardins also takes part in the work of the board as an expert-consultant.

With management, staff training, finance and marketing professionals at its service, the Consulting Group has acted



The CSN also has organized 60 credit unions among its members. The Québec Workers Credit Union, and its manager, Clément Guimond, has played a key role in financing worker co-ops and housing co-ops.



over the past three years in 81 cases affecting nearly 4,500 jobs. Most of its work involves detecting the early signs of trouble in a plant, and then working with management and the union local to prevent a closing.

However, the Consulting Group also has helped to launch nine firms, seven of them worker co-operatives. Through these projects, over 1,300 jobs have been maintained or directly created. Over \$25 million has been invested in these projects, \$8 million of this amount with the backing of the Québec government agency, the Société de développement des coopératives, and \$1.7 million by the workers themselves. Over 3,500 hours of staff training have been provided.

Nor is this work complete; three more projects are in the launch phase involving \$4.5 million invested in about 60 jobs. Examples of some recent worker co-ops include:

- the ambulance co-op in the Hull region,

which has two unions — one affiliated with the CSN and the other with the Québec Federation of Labor;

- a music teaching worker co-operative in Montréal, formed when the workers were locked out after a labor dispute;
- a rubber recycling co-operative in Montréal, whose workers were employed by Servaas (previously Uniroyal) until it closed;
- a mechanical welding co-operative in Rimouski, formed by workers who were employed by the MIL Group (a boat building company) until it closed;
- a tool-cutting co-op in Granby, formed by former workers of Simon Saw, which closed a year ago.

Although the Consulting Group has an important role, it is not the primary aspect of the CSN's work. Nevertheless, it provides another option for union members and it is vital to the union's struggle to help its members control their jobs and to bring democracy to the workplace. ■

CSN unions have now organized ambulance co-ops in Montréal-Laval, Montréal's South Shore, Trois-Rivières, Québec-Chicoutimi, and, very recently, in Hull. Ambulance co-ops control two-thirds of the Québec market. Shown here are members of the Montréal-Laval co-op.

Photos: CSN

¹Founded in 1921, the Confédération des syndicats nationaux (CSN) represents 250,000 members in 2,075 local unions, each with its own union accreditation. Established mainly in Québec, the CSN is a confederation of unions in both the public and private sectors. It represents workers in metallurgy, paper and forestry, communications, construction, health services,

municipal services, transportation and teaching institutions (teaching and support personnel). The local unions affiliated with the CSN, in addition to being directly represented at the CSN, are also grouped on a regional basis (22 regions known as local labor councils), as well as on a sectoral basis (nine professional federations).

Leopold Beaulieu is the treasurer of the CSN and also is responsible for its co-operatives' programs. He is president and co-founder of the Consulting Group. He can be reached at the CSN, 1601 DeLormier Ave., Montréal, Québec H2K 4M5; (514) 598-2275.

'Scared Scriptless'



By Dana
Weber

Being a board member in a co-op often requires theatrical skills. Actors, therefore, like those from TheatreSports, are well prepared to operate the board of their co-op. Photos: TheatreSports

Vancouver's TheatreSports League, the original lowbrow 'theatah'

With some notable exceptions, theatre co-ops tend to be temporary animals. They're organized by actors to produce a single show, and they usually disband at the end of the run. The members of the company divide what would normally be the producer's share of the surplus, if there is one.

But Vancouver's TheatreSports League has found a way to become a continuing co-operative. The group started mounting shows co-operatively in the spring of 1980, and it has since evolved into an ongoing company with 30 members. It incorporated in February, 1985, in anticipation of getting regular work during Expo '86.

After Expo, TheatreSports took over the old City Stage Theatre on Thurlow Street in Vancouver's west end and renamed it the Back Alley Theatre. Ian

Forsyth, the company manager, says assuming City Stage's lease was another real catalyst for the co-op. It began developing the regular theatrical "products," for which Vancouver audiences know them.

Good-time crowd

Back Alley is a very small house with high downtown rent; "legitimate" theatre had a hard time making a go of it there. TheatreSports, on the other hand, has been successful because of its unique format and its appeal to a "good time" crowd that might not consider "The Theatah" as one of its entertainment options.

Ticket prices are more in line with those for films than for other live performances. And, as with popular films, lineups for rush tickets at TheatreSports

PROFILE

often run around the block. In business terms, TheatreSports has found its market niche.

The co-op's original, and still the most popular, format is the one from which it takes its name: TheatreSports. In it, two teams of actors compete to improvise the best sketch within a limited time, based on a situation contributed from the audience. Each scene is scored by three judges. The team accumulating the most points at the end of the match is declared the winner.

'Scared Scriptless'

The theatre sports format runs Friday and Saturday nights. Currently, on week nights, the company constructs sketches, again based on audience experiences, using popular television formats: Wednesday is Game Show night and Thursday is Talk Show. To develop new talent, the co-op also runs a TheatreSports Rookie Night on Tuesday. Finally, members of the company are available for corporate parties, or "outside events" as it calls them. These involve sketches based on

The co-op has created job stability for its actor-members. It also has established a more reliable income base for actors.



the contracting organization's history or prominent personalities. One of the company's most popular off-site production is called *Scared Scriptless*.

Since it has a wide variety of "products," TheatreSports can provide stability for its actor-members in a notoriously unstable profession. While not every member works every show, the co-op offers most members a reliable base income on which they can build other opportunities. Normally in the acting profession, this income might come from waiting tables or some other unrelated job.

There are other companies using TheatreSports' formats, but Vancouver's is the only one operating as a co-op and without a producer "who's the boss." Forsyth is accountable to a seven-person board elected by the members. He thinks being a co-op is one reason for the company's success. "Our improvisational form itself requires co-operation on stage between the members," he says. "One reason the co-op works well is that there's congruence between the management structure and the artistic form. It seems more appropriate than having an artistic director telling you what to do."

Whatever the cause, there's no doubt TheatreSports has arrived as a popular and prominent part of Vancouver's entertainment scene. Its cash-flow in 1988 topped \$500,000 compared with just \$90,000 in 1986. ■

Dana Weber is a co-op activist and freelance journalist in Vancouver. For more information contact Ian Forsythe, TheatreSports, 18-3306 Findlay St., Vancouver, B.C. V5N 4E7; (604) 873-0305.

TheatreSports has mastered the art of bringing theatre to the good-time crowd. The co-op's innovative formats have been picked up by other groups.

Les Nuages has both feet on the ground

By Claude Carbonneau

■ Ten years ago, three¹ young freelancers in the communications and advertising field in Montréal joined together to form a worker co-operative. They were tired of the isolation and roller-coaster pace of freelance work and sought a humane, egalitarian work environment. They chose the unusual name — Les Nuages — which in English means clouds. Because of its name, the co-op has been the subject of many jokes (e.g., 'the members have two feet on the ground and their head in the clouds'); but according to its executive director Huguette Giard "our name has been everything but an obstacle."

Les Nuages has grown steadily during the 1980s. Its sales, which were \$80,000 in its first year, reached \$3.1 million during the last fiscal year. Its membership has increased from 3 to 18 over the decade, and it is anticipated that 10 more members will be added within a year.

Acquisitions

The co-op's 10th year was one of expansion of a different sort. Les Nuages pur-



Danielle Sinotte,
Editorial Director

chased Caron Publicité et Marketing Inc., thereby giving it access to new markets. Caron's market has been specialized in privately-owned enterprises, whereas Les Nuages has had a broader, more general market.

Then, in addition, the co-operative recently launched Les Nuages + Communications Group to enhance its stature in the fiercely competitive Montréal market. The Communications Group is a holding company for Les Nuages, Caron Publicité and a third enterprise,



Richard Messier,
Accounts
Executive

Announces Carrières et Professions Enr., which was created by the co-op two years ago to give reduced rates to high-volume customers of Les Nuages' career-ads service.

And if these changes are not enough, Les Nuages is negotiating for the acquisition of a public relations company that also would join the Group. According to Huguette Giard, "by maintaining the Group, it is easier to retain the customers of each company that we purchase." However, Giard emphasizes that "we are making every effort to include in the co-op the workers of the companies we are integrating."

Les Nuages' expansion has been made possible by the excellent quality of its work. An ad that it produced for the Fonds québécois de récupération was among the most widely used in Québec. And recently the Caron agency, acquired by Les Nuages, was second in a North American competition for its TV commercial, 'D'abord le dentiste' ('See your dentist first'). This commercial, produced for the provincial association of

Claude Racine,
Production
Director



UPDATE

The team approach to management at Les Nuages has led to good results. In 10 years, sales have increased from \$80,000 to \$3.1 million. Photos: Les Nuages

dentists, is currently being played throughout Québec in French and English.

Times are a-changing

Like other worker co-operatives, Les Nuages has had to adapt its decision-making processes, as the number of workers and the scale of the business have increased. During the early years, Richard Messier, a founding member, recalls that "there was no line of command as far as work was concerned. There was simply a co-ordinator who saw to it that deadlines were respected."

At present, there is an executive director and production directors for the specialized field of graphics, writing, public relations, audio-visual and media. However, ultimate authority is with the general assembly of members and with the board of directors, which the assembly elects.

The incomes' policy of Les Nuages also has changed with the times. In the early years, salaries were determined on the basis of seniority, not the differing skills and responsibilities associated with each job. Therefore, a secretary could have made the same salary as a person in charge of accounts who joined the co-op at the same time.

"It was a nice dream to have that type of incomes policy," recalls Huguette Giard, "but we had to change it because it became increasingly difficult to recruit skilled professionals. The only people who wanted to do that trip with us were inexperienced people."

At present, Les Nuages pays "the market rate minus 10 per cent" for each



Rejean Montpetit,
Production
Director

job. The 10 per cent discount from the market rate is compensated for by the advantages of joint ownership (e.g., labor dividends).

Les Nuages is also known for its leading role in the Québec federation of worker co-operatives. Richard Messier is the federation's president, and Huguette Giard is secretary of the federation and Québec's representative on the coordinating committee, which is laying the groundwork for a federal organization of worker co-operatives.

And if that isn't enough, Les Nuages is currently working on arrangements to service markets outside of Québec. In that respect, the co-op's catchy name should serve it well. ■

Huguette Giard,
Executive
Director



François Messier,
Artistic Director



In 1980 when Les Nuages was formed, 12 people were required to sign the incorporation documents. Three people were full-time workers and nine others were either part-time or in some other support role. As the volume of business increased at the co-op, several of this group became full-time. At present, only three people are required to incorporate a worker co-op in Québec.

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Breaking the Chains

Zanzibar's desperate economic struggle

By Greg Cameron

Zanzibar has put great hope in production co-operatives as a vehicle to carry its economy out of its current economic malaise. The bodyblows emanating from the world markets have been devastating: IMF-imposed restraint programs, unstable and declining clove markets, and ongoing devaluation have left the economy reeling.

The role of co-operatives as agents of socio-economic transformation has been hotly debated for some time. Some have argued that since the rural population has only one foot in an imperfect marketplace and the other foot in a preindustrial cultural milieu, it is superfluous to import the co-operative model.

Yet the basic reality remains: Zanzibaris are desperately seeking ways to make ends meet, and thus calls for co-operative economic activities continue to find fertile ground. Indeed, the co-op movement has persisted through the tortured years of Zanzibar's past. Here is its story.

Past and present

Pemba Island, together with the neighboring island of Unguja, form the polity of Zanzibar. Situated in the Indian Ocean off the coast of Tanzania, Pemba has a population currently estimated at 250,000. It has an area of 380 square miles and receives heavy rainfall.

Msoga Carpenters' Co-op on Tanzanian mainland. Zanzibar's co-ops are part of the Co-operative Union of Tanzania.
Photo: David Kardish/
CUSO



Gardener's group in Msoga on the Tanzanian mainland. Photo: David Kardish/
CUSO

Zanzibar's long history of colonial exploitation abruptly ended in 1964 when the Arab-dominated landowning class, backed by the British colonialists, was overthrown and an independent state was declared. Later that year, Zanzibar joined with Tanganyika to form the United Republic of Tanzania. Zanzibar continues to retain a wide degree of autonomy over its internal affairs.

Zanzibar's present Co-operative Act, promulgated in 1986, encompasses the apex organization, the Co-operative Un-

ion of Tanzania (CUT), five regional unions and approximately 1300 primary co-op societies. Two of the regional unions and 457 co-op societies are on Pemba Island.

The Co-operative Education Centre (CEC), established in 1964, is a department of the CUT. The major part of CEC training takes place in the field. Through its 21 regional wings located in all the mainland regions and on Unguja and Pemba, the CEC provides courses in bookkeeping, co-op management and leadership. These courses are conducted in Swahili.

With 33 members on average, the majority of Zanzibar's primary co-operative societies were registered in the 1980s. Approximately 80 per cent are consumer co-ops, formed as an opportunistic response to the government policy of utilizing consumer shops as the main distribution channel for subsidized foreign foodstuffs. As monetary devaluation increased the price of foreign goods, a number of shops have closed and others have expanded into different co-operative ventures.

Industrial co-operatives

Currently, there are 24 industrial societies: sewing (7), soap making (6), carpentry (6), baked goods (3) and



charcoal production (2).

The soap-making co-ops are having difficulties obtaining essential caustic soda and coconut oil. This is unfortunate because there is a market for this commodity. Also, basic technical training is lacking.

Women predominate in the sewing co-ops. Officers in the Adult Education Department initially encouraged these women to form co-operatives, since their level of education is relatively high — in many instances grades 10 or 11. The main constraint on sewing co-ops is a poor market. Used clothing (mitumba), imported cheaply from abroad, has flooded the local markets and undercut local production. Lack of equipment and technical training (e.g., cloth-cutting techniques) is another bottleneck. However, despite the obstacles and the part-time nature of the work, the income from sewing co-ops provides an essential supplement to the household. In addition to their economic role, these sewing co-ops empower women at the community level.

Carpentry co-ops are the strongest sector of industrial co-ops. With a good market, carpentry could be a full-time activity. Yet even in the more active

Traditional blacksmithing on the Tanzanian mainland. People have been assisted by non-government organizations in creating co-ops. Photo: David Kardish/CUSO



shops, carpenters combine their craft with subsistence farming. After an early morning of crop cultivation (e.g., cassava, bananas, sweet potatoes) on their individual plots (shambas), the carpenters move to their lean-tos (bandas) to saw, cut and plane furniture, usually doors and windows. In times of feverish preparations, such as after Ramadan in May, a buoyant bed market has the carpenters working overtime (marupuru).

Conversely, during the peak of the clove seasons, their abandoned bandas are a common sight. The carpenters drop their tools and become pickers (wachumaji) amidst the countless valleys of clove trees.

The clove cycle affects the marketing of furniture. For example, Tumo Co-op produces a good product. Its chief carpenter is experienced, having apprenticed as a youth to an Indian carpenter in the days just prior to the revolution. After the clove harvest when the local people have sufficient income, the price for furniture is good. During lean times, however, Tumo Co-op is often forced to sell furniture cheaply to a local merchant who, because of his access to transportation, sells it in town at a profit. When the price is too low, the merchant simply stores the furniture until the next upswing in the local market.

'From each according to his work' is a basic principle among industrial co-ops, with some interesting modifications, however. At Tawakal Co-op (meaning endeavor to succeed), the members wrote by-laws stating that each carpenter must work at least six days per week. Members are paid from a common pool consisting of the net revenue for each product after non-labor expenses are deducted. One per cent of this pool goes to a collective reserve, and then members are paid according to a point system based on education, experience and skill (e.g., apprentices are paid the least). The system is definitely open to abuse; time will judge its utility.

Donors

Tawakal Co-op has been assisted by aid from a West German organization, Friedrich Ebert Stiftung (FES), which has financed technical workshops conducted by an Irish carpentry instructor. Tools and building materials, even credit, have been donated by the Dutch embassy and a few other generous donors. All donated materials are held in common.



The Sieni Women's Centre in Logobo Ward, Tanzania, is a hub of cultural activities. Women struggle with secondary roles in society. Photo: David Kardish/CUSO

Donations also come from local organizations. Committed co-ops like Sisi Tupo, where the co-op founder, Ali Seif, personally demolished his own lean-to as an example for other craftspeople to follow, lend technical assistance to new societies through their regional union.

For newly-registered groups, the importance of basic co-operative education cannot be underestimated. Members must know the meaning of co-operative democracy and accountability. And even for established co-ops, members require training in democratic decision-making and business.

Once a co-op is well established, the Co-operative Union of Tanzania seeks funds for material inputs, usually from donor agencies based in Dar es Salaam and less commonly from abroad. It is our hope that sympathetic readers will make a modest contribution to our educational program or assist the purchase of equipment, and in this way help those trying to uplift themselves. ■

Greg Cameron is a CUSO co-operant working as a tutor/organizer at the Co-operative Education Centre, Pemba Wing, P.O. Box 54, Wete, Pemba, Tanzania, East Africa.

The natural-foods challenge



By Bob Allan and



Mary Lou Morgan

■ A window of opportunity exists for development within the natural foods industry — a market sector in which worker co-ops have had a history of success. The natural foods market is expected to increase 40-fold within the decade, as consumers show greater concern about the impact of food upon their health and as the environmental movement becomes a powerful force in society. To tap this potential, the Organic Resource Co-operative is being formed to support and expand the network of worker co-ops in natural foods.

Co-operatives are already prominent in the natural-foods industry. Toronto's Big Carrot is Canada's largest and most successful natural-foods retailer. In just six years, it has reached \$5.5 million in sales and has become a leader in the field. Other worker co-ops in British Columbia and Québec have been successful natural-foods retailers.

Worker co-ops also have a strong presence in natural-foods distribution. Three worker co-ops — CRS and Wild West in Vancouver and PSC in Victoria — dominate the market on the West Coast. These three wholesalers have 60 worker-members and will top \$15 million in sales this year.

Co-op natural foods wholesalers have formed an organization called the Alliance, whose members continue to expand. PSC has launched Pacific Rim Sales and Marketing, a natural-foods brokerage service, and Wild West has purchased a storage and warehouse facility in Cawston, in the Okanagan Valley. CRS, the largest natural-foods wholesaler on the West Coast, continues its remarkable growth of the past decade. This fall, Origins — the first federally-incorporated worker co-operative — will begin marketing a line of certified organic products under its own label, to be distributed by the Alliance.

Within natural-foods processing, there is also an expanding group: Uprising Bakery in Vancouver; Jubilation Bakery in Toronto; and Kagiwiosa Manomin, a wild-rice processing enterprise near Kenora. Olde Barrel, the Prince Edward Island potato-chip producer, has come out with a cholesterol-free non-preservative brand of oat bran chips, thereby recognizing changing consumer tastes. Given the

strength of worker co-ops in retailing and distribution, processing could become a major growth area for the 1990s. During the '80s, many worker co-op resource-group models were tested. Networking is emerging as the model of choice. The Alliance and the Organic Resource Co-op provide a framework for "co-operation among co-operatives." They will link successful worker co-ops with knowledge of the industry to groups who are starting.

The Organic Resource Co-operative will focus its development work within Ontario, though research will be done nationally in partnership with natural-foods worker co-ops throughout Canada. Emphasis will be on innovation and network expansion. The number of new worker co-ops will be a key indicator of success.

Organic Resource Co-operative will draw on individuals with experience in the sector to form a resource team. The team will research opportunities for development and provide consulting services to existing co-ops. With the results of the research studies, The Organic Resource Co-op will actively promote new worker co-operatives by identifying potential leaders and providing assistance with detailed start-up planning and implementation.

Canada's co-op movement has a history of success within the food industry. Continued success will require a positive response to the trend towards natural and organic foods. The window of opportunity that currently exists for co-op development may close quickly. The current position of worker co-ops as industry leaders will be challenged. The networks — both the Alliance and the Organic Resource Co-operative — are important vehicles for responding to the opportunities and ensuring a large co-op presence in the industry. ■

Bob Allan and Mary Lou Morgan are the principal consultants with Organic Resource Co-operative. Allan has been the finance manager at The Big Carrot and has worked with Jubilation Bakery, the Ontario Federation of Food Co-operatives and Clubs and the Kongara Vegetable Co-op. Morgan was a leader at The Big Carrot since its inception and is a founding member of Origins. For more information, contact Organic Resource Co-operative, 32 Mountview Ave., Toronto, Ontario M6P 2L3; (416) 766-3056.

Local Rainbows

After the Crash: The Emergence of the Rainbow Economy

By Guy Dauncey, Merlin Press, London, 1988, 312 pp., \$16.95 pbk., available from Garden of Gaia, P.O. Box 456, Ganges, British Columbia V0S 1E0.

Reviewed by Stewart Perry

Goodhearted and enthusiastic, this book weaves together many civic issues into a common concern for all citizens. Respect for the environment, local self-determination, economic justice, community development, and other topics are enlivened by one illustration after another of successful efforts by citizen groups who are making a difference.

The author, a resident of Britain living this past year in British Columbia, is himself an activist and a member of the U.K. Green Party and the Findhorn Foundation, a co-operative community in Scotland. He lectures widely on 'new wave' topics.

After the Crash moves from an analysis of world economic problems, such as international trade, Third World debt, etc., to the idea of transcending the macro problems and improving life at the local level by being inventive. In short, Dauncey is resigned to the inevitability of globally-experienced socio-economic disasters, but he argues that these can be lived through by creativity at the local level. This is an attractive proposition for those of us (meaning most of us) who see little chance of significant influence in the short-term over destructive national policies and multi-national corporate actions. We can, however, begin to make a difference in our own communities.

Let's get specific

Among the specific innovations that Dauncey describes is the LETSsystem (Local Employment and Trade System), invented in Vancouver. This project in-



In keeping with Cape Breton's predominant ethnic group, the formal opening of the first home of the Cape Breton Labourer's Development Company had a distinctively Scottish flavor, enhanced by the presence of bagpiper Colleen Boutilier. Joining her, from the left, are Fabian McKinnon, Nello Scipioni, John MacNeil, Jim Jobe, and John MacDonald. McKinnon, MacNeil, and MacDonald are the three founders of the non-profit company.

volves exchanges of locally-based labor and purchases. LETS requires no money exchange; simply credits and debits against one's account. It has the advantage of keeping local money at home, where its circulation can stimulate the economy, and it tends to free up the use and exchange of hard-to-market skills.

Other options for local development that Dauncey spotlights include various work-sharing techniques, business support systems (such as Briarpatch, founded in San Francisco) community development corporations (CDCs), community loan funds, and many other financing techniques and institutions (such as Women's World Banking) and peer group loans (Grameen banking). All of these should be grist for the mill to any community group beginning its search for new approaches to local revitalization.

Dauncey tends toward excessive conceptualization — reliance on such words as "holistic" and "integrative," and on numbered lists of steps, phases, models and principles, including a decision to make each color of the rainbow symbolize a social or economic value. These illustrations may be helpful to someone initially exploring the idea of social innovation in an economic context. Ultimately, this book is beamed at such an audience. However, even those who are already working in the field can find at least a neat illustration or a helpful bibliographic item. I would expect to offer *After the Crash* as collateral reading for my own students in community economic development. ■

Stewart E. Perry, author of *Communities on the Way*, is with the Centre for Community Economic Development, 436 George St., P.O. Box 357, Sydney, Nova Scotia B1P 6H2; (902) 562-2233.

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COOP

de
Travail

Vol. 9
No. 4

Printemps
1990

LES NOUVEAUX MOTEURS DE DÉVELOPPEMENT COOPÉRATIF

QUATRE ANS APRÈS

UN RÉSEAU QUI POURSUIT SON DÉVELOPPEMENT



LA COOPÉRATIVE
DE DÉVELOPPEMENT RÉGIONAL
Saguenay - Lac-Saint-Jean C2



COOPÉRATIVE
DE DÉVELOPPEMENT
DE L'ESTRIE



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pour le maintien
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COMMISSION DE DÉVELOPPEMENT RÉGIONAL DE QUÉBEC



COOPÉRATIVE DE DÉVELOPPEMENT
MRC DE BEAUPORT



Conseil des coopératives de l'Outaouais



Coopérative de
Développement Régional
de Lanaudière

0514

Un réseau efficace

Huit organismes oeuvrent à la création et au suivi des coopératives de travailleurs au Québec: les CDR implantées régionalement et le groupe de consultation qui collabore de façon privilégiée avec la CSN.

Les données que nous fournit la Direction des coopératives dans son bulletin d'information Info Coop démontrent éloquemment la relation entre la présence de ces organismes et celle des coopératives de travailleurs.

Répartition des coopératives de travailleurs par secteur industriel et grand secteur économique au 31-10-1989

PRIMAIRE		
1. Agricoles et services connexes	25	
2. Exploitation forestière et services connexes	45	
3. Mines	2	
Total primaire	72	34 %
SECONDAIRE		
4. Manufacturières (incluant les scieries)	37	
5. Construction	5	
Total secondaire	42	20 %
TERTIAIRE		
6. Transport et entreposage	7	
7. Communications et autres services publics	1	
8. Commerce de gros	6	
9. Commerce de détail	14	
10. Services aux entreprises	31	
11. Services d'enseignement	3	
12. Services de soins de santé et services sociaux	12	
13. Hébergement et restauration	4	
14. Autres industries de services	21	
Total tertiaire	99	46 %
GRAND TOTAL	213	100%

Répartition des coopératives de travailleurs par région administrative et selon certaines variables au 31-10-1989

RÉGION ADMINISTRATIVE	NOMBRE D'ENTREPRISES	IMPORTANCE DU NOMBRE D'ENTREPRISES	PROPORTION DE LA POPULATION
* 01 Bas-Saint-Laurent	10	4,7	3,23
* 02 Saguenay/Lac St-Jean	25	11,7	4,37
03 Québec	28	13,2	8,98
04 Mauricie/Bois-Francs	15	7,0	6,94
05 Estrie	17	8,0	3,95
06 Montréal	27	12,7	26,83
* 07 Outaouais	15	7,0	3,92
* 08 Abitibi-Témiscamingue	18	8,5	2,25
* 09 Côte-Nord	8	3,6	1,60
* 10 Nord-du-Québec	1	0,1	0,55
* 11 Gaspésie/Îles-de-la-Madeleine	12	5,6	1,72
12 Chaudière-Appalaches	9	4,2	5,46
13 Laval	2	0,9	4,35
14 Lanaudière	7	3,3	4,25
15 Laurentides	6	2,8	4,90
16 Montérégie	13	6,1	16,68
TOTAL	213	100 %	100 %

* Régions péritroiques selon l'OPDQ

LE MAGAZINE
COOP
de
Travail

Volume 9 Numéro 4
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CDR de Montréal et Centre de gestion des coopératives des IIEC

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Le Magazine COOP DE TRAVAIL est publié quatre fois l'an, à 2 500 exemplaires et est vendu en kiosque et par abonnements.

TARIFS PUBLICITAIRES

1/8 de page cote d'affaires 17,5 x 11 cm	40\$	1/2 page sur 2 colonnes (9,3 x 24 cm) sur 3 colonnes (14,1 x 15,5 cm) sur 4 colonnes (18,7 x 12 cm)	125\$
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Enkikopie mono	4,50\$	Numéros précédents (juin)	5\$

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Quatre ans après...

Sept organisations régionales formées en Coopératives de développement régional, un groupe spécialisé sur l'intervention liée aux problématiques syndicales, voilà l'ensemble d'un réseau de développement qui fait du Québec le leader de l'appui aux coopératives au Canada.

Au moment où les CDR deviennent membres à part entière du Conseil de la coopération du Québec et participent ainsi de plein droit à l'ensemble économique coopératif, si important au Québec;

Au moment où ces organisations font preuve de dynamisme en créent de nouveaux produits, de nouvelles façons de faire pour le démarrage d'entreprises coopératives et la création ou le maintien d'emploi: l'approche pro-active, la matrice de productivité, les nouvelles coopératives de travailleurs à l'actionnariat et Campus Coopératives;

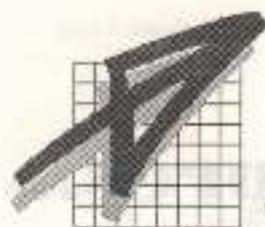
Au moment où le mouvement syndical, entre autre au 55^e congrès de la CSN, poursuit sa démarche vers le partenariat économique des travailleurs dont la formule coopérative est une des clés privilégiées;

Au moment où il n'y a encore que la moitié de ces organismes qui sont reconnus et financés par le ministère de l'Industrie, du Commerce et de la Technologie et que l'on réussit, malgré ce handicap sérieux, à maintenir et à développer un taux d'efficacité plus qu'acceptable;

Il nous semblait important, à Coop de travail, de présenter un dossier CDR et Groupe de consultation.

Trois ans après les coupures de 1987, il est plus que temps qu'on reconnaisse l'apport des CDR et autres organisations au développement coopératif en y consacrant les ressources financières adéquates.

Le Comité d'orientation



LA COOPÉRATIVE DE DÉVELOPPEMENT RÉGIONAL DE MONTRÉAL

Une région

Couvrant l'ensemble de la région 06, soit de Mont-Laurier jusqu'à Granby et de Valleyfield jusqu'à Sorel, la CDR de Montréal doit s'ajuster à des dynamiques sous-régionales extrêmement diversifiées et collaborer avec une multitude d'intervenants en développement économique. Même sur l'île de Montréal, tous les gouvernements reconnaissent maintenant la nécessité de stratégies locales, adaptées au Sud-Ouest, ou à l'Est de l'île, au Plateau ou à La Petite Patrie.

Ce phénomène a donc augmenté et complexifié sensiblement le réseau des intervenants ce forçant la CDR de Montréal à multiplier les instruments d'information et de diffusion et les occasions de solidarité et d'interrelation.

Un membership



La CDR de Montréal compte actuellement trente-cinq (35) membres provenant de divers milieux. Le membership est composé de neuf (9) coopératives de travail, cinq (5) coopératives du secteur de l'habitation, de l'épargne et du crédit et en milieu scolaire, quatre (4) maisons d'enseignement, six (6) organismes communautaires, huit (8) organismes du monde des affaires et trois (3) membres individuels.

Monsieur le président vous adressera la parole dès qu'il sera de retour à la table d'honneur.

Parrains et commanditaires

BUREAU INTERNATIONAL D'ÉCHANGE COMMERCIAL (BIECI) LTÉE — RAYMOND, CHABOT, MARTIN, PARÉ ET CIE (RCMP) — ARSENAULT, BOUCHER, AVOCATS — LIBRAIRIE COOPÉRATIVE DU COLLÈGE MAISONNEUVE — CAISSE POPULAIRE MISTRAL — COOPÉRATIVE DE DÉVELOPPEMENT DE L'ESTRIE — COOPÉRATIVE DE PLEIN-AIR PASSE-MONTAGNE — IMPRIMERIE COOPÉRATIVE HARPELL

Consultation ... Formation

La CDR de Montréal a développé au cours des cinq dernières années, une expertise en démarrage et suivi d'entreprises. Les interventions de la CDR se situent à toutes les étapes de la réalisation d'un projet, soit du pré-démarrage jusqu'au suivi. Au 31 décembre 1989, on observait les statistiques suivantes:

- nombre de dossiers traités: 270
- nombre d'entreprises: 60

La CDR de Montréal se préoccupe également de la formation des promoteurs de projets. Des modules, spécifiquement adaptés aux besoins des coopératives de travail, ont été élaborés:

- nombre de sessions tenues: 150
- nombre d'heures de diffusion: 1 200
- nombre de participants: 1 500

Campus Coopératives

La formule veut briser l'isolement du créateur par la notion de promotion (groupe de créateurs d'entreprises qui cheminent ensemble vers des projets d'entreprises) avec possibilité pour le créateur de trouver graduellement des collaborateurs pour son projet.



Michel Hébert regarde à l'autre bout, Péro D'Almeida sur le gauche, l'assistante Françoise Gauthier, Pierre Martin face aux ... , Pierre Allard à droite «revenir» et Jean-Claude Guérard qui s'opère à main levée quelque chose!

Elle assure un support et un appui aux créateurs par un programme de formation-counseling adéquat.

Elle veut aussi assurer que le créateur aura la capacité de se lancer sur le marché par:

- le salariat du créateur en phase d'étude de projet;
- l'investissement minimal dans le projet.

CAMPUS

COOPÉRATIVES
CANADA

Résultats des deux premières promotions

Nombre de demandes reçues 59
Nombre de projets sélectionnés 17
Nombre d'entreprises démarrées 10
(et c'est pas fini!)

Information

La CDR de Montréal a créé son propre bulletin d'information **Coopoint** afin de faire connaître son action dans le milieu. De plus, elle collabore au magazine **Coop de travail** en assumant la partie francophone de ce magazine canadien.

Coopoint: bulletin d'information trimestriel
parution régulière, 500 exemplaires
parution spéciale, 3 à 4 000 exemplaires
éditeur, CDR de Montréal.

Coop de travail: magazine publié quatre (4) fois l'an à 2 500 exemplaires vendus en kiosque et par abonnement
éditeur, CDR de Montréal et le Centre de gestion des coopératives des HEC.

CAMPUS Club



PHOTO HUBBARD PAGE — STICK

Ici, Alain Mitchellson (ÉDITION • TYPOGRAPHIE • CONSEILS, affirme qu'il faut regarder en face la somme de travail inhérente au démarrage d'une entreprise coopérative !!!

Campus Club regroupe des projets **Campus** démarrés, des coopératives, des organisations du secteur public, para et péripublic et des entreprises du secteur privé qui souhaitent appuyer le programme **Campus** Coopératives et développer des relations commerciales avec des coopératives.

Campus Club se présente comme un réseau d'échanges de «sympathies» qui débouche inévitablement sur des échanges commerciaux et technologiques venant briser l'isolement des petites entreprises.

Une équipe

La CDR de Montréal s'appuie sur une équipe de professionnels aux profils complémentaires et possédant une vaste expérience en démarrage et suivi d'entreprises.

L'équipe est composée de Pierre Allard à la direction générale, Sylvie Desrochers à la formation, Josée Gaumond au support administratif, Michel Hébert aux relations publiques, Pierre Hébert à la gestion des projets, Louise Perreault au secrétariat, Richard Roussin à l'accueil des projets, Annette Villeneuve aux finances et à l'administration. Guy Bisillon, agit à titre de conseiller spécial.

À l'occasion, la CDR de Montréal s'adjoint des ressources ad hoc, membres de la CDR ou provenant d'autres organismes, sur des dossiers particuliers.

Des collaborations

C.A.C. International

Développement international de Campus

HEC Centre de gestion des coopératives

École des Hautes Études Commerciales

Affiliée à l'Université de Montréal

Formation campus



Banque fédérale de développement

Formation campus

SCOP
Entreprises

Campus Coopératives France
Confédération des SCOP
Collaboration Campus

■■■■■■■■■■ CONFÉDÉRATION DES CAISSES POPULAIRES ET D'ÉCONOMIE DES JARDINS DU QUÉBEC — COMMUNICATIONS MICHEL BISONNETTE INC — BOUDRIAS, PANET-RAYMOND, GÉLINAS, AVOCATS — MARCEL DESCARY, DESIGNER — CENTRALE DE L'ENSEIGNEMENT DU QUÉBEC — LA BRASSERIE MOLSON D'YKEFFE LTÉE — UNION DES PRODUCTEURS AGRICOLES — FÉDÉRATION NATIONALE DES COMMUNICATIONS (FCN) — ERNST AND YOUNG — COOPÉRATIVE D'ANIMATION ET DE CONSULTATION (CAC) INTERNATIONALE — SYLVESTRE, CHARBONNEAU, DUGUAY ET CLOUTIER, AVOCATS — FBM, DISTILLERIE CIE LTÉE — CAFÉ CAMPUS — ÉDITION • TYPOGRAPHIE • CONSEILS — COOPÉRATIVE VIDÉO DE MONTRÉAL — SYNDICAT DES MÉTALLOS

une force pour le développement coopératif



Le CCO

Un entrepreneur coopératif

Le Conseil des coopératives de l'Outaouais (CCO) a pris forme à Hull en 1973 grâce aux efforts de 130 coopérateurs du milieu. Premier organisme du genre au Québec, le CCO sert de modèle à la création des coopératives de développement régional (CDR).

Jusqu'à récemment, son rôle a surtout consisté à soutenir les promoteurs dans le processus de démarrage ou d'expansion d'entreprises coopératives. Le bilan de cette approche n'est pas négatif bien qu'elle comporte quelques lacunes: comme les promoteurs disposent de peu de capitaux, les projets manquent d'envergure et sont pratiquement limités au secteur des services; les promoteurs n'ont pas toujours l'expérience et la formation leur permettant d'assurer la viabilité de leur projet.

Une nouvelle approche

Aussi, en 1988 avec le début du projet d'expérimentation réalisé dans le cadre du Programme national d'aide à l'innovation (PNAI), nous avons commencé à mettre en œuvre une deuxième approche au développement coopératif. Tout en continuant à dispenser des services de support aux promoteurs de projets d'entreprises coopératives, nous nous sommes mis à agir comme entrepreneur coopératif.

Inspiré par les succès obtenus au Pays Basque espagnol par la Casa Laboral Popular ainsi que par la stratégie de développement de la Coopérative de croustilles de pommes de terre de l'Île-du-Prince-Édouard, nous avons utilisé une approche semblable. Au lieu d'attendre que l'initiative parte des entrepreneurs eux-mêmes, nous agissons comme entre-

preneur, c'est-à-dire que le CCO identifie un secteur d'intervention économique, un projet précis et franchit lui-même les étapes essentielles au démarrage de l'entreprise: étude de préaisabilité, étude de localisation, étude de marché, plan d'affaires, financement, immobilisation et gestion des opérations.

Ce n'est qu'après une période de rodage de l'entreprise, laquelle peut durer un an ou deux, que le CCO peut se retirer du projet pour le laisser entièrement entre les mains des travailleurs regroupés en coopérative.

C'est cette approche que nous utilisons pour la mise sur pied d'un projet de culture de tomates biologiques en serre. Celui-ci nécessitera un investissement d'environ 1,6 million de dollars et permettra de créer dix emplois. Compte tenu de l'envergure du projet, nous avons formé une corporation à capital-actions détenues par le CCO et des associés du milieu dont les travailleurs et des gens d'affaires du comté de Papineau.

La méthode proactive: trois projets en marche

Cette méthode proactive est aussi utilisée pour un projet de compostage de résidus forestiers, lequel est piloté en collabo-

ration avec le Centre de recherche en sylviculture de l'Outaouais et les propriétaires de la région.

Finalement, grâce à cette nouvelle stratégie de développement, nous nous sommes engagés dans un projet de relance de l'agriculture dans la région de Notre-Dame-de-la-Paroisse. Le CCO a signé un protocole d'entente avec la municipalité qui nous accorde le mandat d'agir comme maître-d'œuvre du projet. En plus de ce partenaire, le CCO s'est assuré le concours du Collège Macdonald de l'Université McGill, des producteurs, du Comité d'aide au développement des collectivités de Papineau et du directeur régional du ministère de l'Agriculture, des Pêches et de l'Alimentation du Québec. Afin d'accélérer notre intervention, nous avons intégré notre projet de serres biologiques dans le «Plan de relance» de cette région.

En somme, le CCO n'est plus un simple pourvoyeur de services, mais un entrepreneur coopératif actif dans la région de l'Outaouais.

Gilles Bégin

Directeur général du C.C.O.

Ici l'Outaouais

Le C.C.O. crée des emplois

Cette année le CCO aura contribué à créer 20 emplois occasionnels ainsi qu'à maintenir et à la création de 62 emplois permanents. Cette performance représente une croissance de 63% du nombre d'emplois créés cette année par rapport à l'année précédente.

Nouveaux membres

Cinq nouvelles coopératives ont adhéré au CCO durant l'année. Son membership est maintenant à 70, ce qui représente 67% des 105 coopératives de la région. Voilà une CDR représentative et crédible dans son milieu!

Les techniciens ambulanciers forment la plus grosse coopérative de travail de l'Outaouais

Le CCO est heureux d'avoir été associé à la SDC pour la mise sur pied de la Coopérative des techniciens ambulanciers de l'Outaouais. Il s'agit d'un projet d'envergure qui a nécessité un investissement de 1,4 million de dollars. Cette entreprise embauche 52 employés et couvre le territoire de Hull, Aylmer, Gatineau et Shawville, ce qui représente une population d'environ 250 000 personnes.

Pour mieux entreprendre ensemble

Une réforme en profondeur s'impose

Notre analyse et notre compréhension de la problématique du développement des coopératives au Québec et dans la région laissent au Conseil des coopératives de l'Outaouais (CCO) la certitude que le développement coopératif serait beaucoup plus efficace si le Mouvement coopératif pouvait compter sur de meilleurs outils.

Pour obtenir ces moyens plus convenables, nous croyons, qu'après une période de réflexion et d'échange, le temps serait venu d'effectuer une réforme en profondeur de la Loi sur les coopératives, de la fiscalité propre aux coopératives, ainsi que des instruments de capitalisation et d'aide aux coopératives. Voyons quelques exemples.

Certaines clauses de la Loi sur les coopératives du Québec influent négativement plus particulièrement sur le financement des coopératives de travail. Ainsi en est-il de l'interdiction de rémunérer toute part sociale de qualification et de l'obligation de créer une réserve générale impartable. Or, ces rigueurs rendent la loi québécoise des coopératives «plus catholique que le pape».

Au chapitre de la fiscalité, le dessein d'assurer un traitement équitable aux coopératives de travail reste à parfaire. On songe ici au Régime d'investissement coopératif et à l'imposition des sociétaires. À titre d'exemples, il serait possible:

— de porter le plafond du RIC de 10 à 20% du revenu du contribuable, comme c'est le cas du REER;

— que soit instauré un crédit d'impôt sur les ristournes, à l'instar des dividendes;

— que soit accordée une déduction d'impôt des intérêts versés sur un emprunt effectué par un membre en vue d'investir dans sa coopérative, comme cela se fait pour un placement;

— etc.

Une meilleure capitalisation

La question de la capitalisation doit être envisagée d'une manière beaucoup plus souple et dynamique qu'elle ne l'a été jusqu'à maintenant.

En mettant sur pied la Société de développement des coopératives, les milieux coopératif et gouvernemental manifestaient leur entente de pourvoir les coopératives d'un fonds de démarrage et de support. Nombre de coopératives ont été redevables de leur éclosion à la SDC.

Par son apport de fonds de capital de risque, elle joue un rôle indispensable pour les coopératives. Quoiqu'important, ce rôle pourrait bien être renforcé afin de mieux répondre à leurs besoins. Pour ce faire, il importe donc qu'elle soit d'abord maintenue afin qu'elle puisse être en mesure de devenir une véritable société

d'aide financière aux coopératives. Il ne manque que la volonté gouvernementale.

Un rôle complémentaire des intervenants

Il importe cependant que le rôle des agents de la SDC soit mieux défini afin que l'action des agents de financement de la SDC, dans les dossiers de démarrage et d'expansion de coopérative, soit absolument complémentaire à celle des autres intervenants.

Ce sujet nous conduit tout droit à la répartition fonctionnelle des interventions des différents acteurs du support technique aux entreprises coopératives: agents du MICT à la Direction des coopératives, agents du MICT en région, agents de la SDC, agents des CDR et des groupes conseils.

Il faut éviter les duplications et rationaliser les interventions. Nous croyons que les CDR sont bien placés en région. En lien direct avec les coopératives qui déterminent leur orientation, elles ont la crédibilité, l'expertise et la connivence qui leur permettent de jouer un rôle efficace et indispensable au développement coopératif des régions.

C'est donc chacun des outils qu'il faut adapter aux besoins actuels d'une société dont les valeurs ont beaucoup changé depuis quelques années. Sans remettre en cause les grands principes coopératifs, nous croyons qu'il faut ajuster notre compréhension de ceux-ci pour permettre au milieu de mieux entreprendre ensemble.

L'équipe du CCO

Ici l'Outaouais

L'intercoopération se manifeste dans l'Outaouais

À l'occasion du 50^e anniversaire du Conseil de la Coopération du Québec, le CCO a organisé une «Rencontre coopérative» en collaboration avec le CCO, le Conseil canadien de la coopération et le Conseil de la coopération d'Ontario. Cet événement a rassemblé 300 personnes à Hull qui ont pu rencontrer M. Claude Béland, président du Mouvement Desjardins, conférencier invité.

Des coopérateurs de l'Outaouais obtiennent du «Mérite»

Lors de cette «Rencontre coopérative», M. Jean-Paul Dineel de Vinoy, M. Éric Séguin de Buckingham, se sont vu décerner l'Ordre du mérite coopératif québécois. Pour leur part, M. Réjean Quévillon de Notre-Dame-de-la-Salette et M. Jacques Poirier de Hull ont reçu un hommage d'appréciation de leur travail communautaire et coopératif.

Une nouvelle forme de partenariat

Fruit d'une collaboration étroite entre la Société de développement des coopératives, de la Société d'aménagement de l'Outaouais et du CCO, le séminaire intitulé «Une nouvelle forme de partenariat: la coopérative de travailleurs-investisseurs» a attiré une soixante de personnes du milieu des affaires à Hull.



COOPÉRATIVE DE DÉVELOPPEMENT DE L'ESTRIE

La Coopérative de développement de l'Estrie est un instrument de développement économique au service du mouvement coopératif en Estrie. Cela implique un engagement qui nous semble fondamental: le développement coopératif doit se faire par les coopératives. C'est donc à l'ensemble du mouvement coopératif à l'assumer. Une quarantaine de coopératives provenant de tous les secteurs coopératifs sont membres et de ce fait s'impliquent dans le développement coopératif de notre région.

Nos objectifs sont

Offrir une aide technique au démarrage et à la gestion d'entreprises coopératives, particulièrement pour les coopératives de travailleurs.

Offrir à nos membres des services de gestion-conseil, d'achat en commun, de formation ainsi que tout autre service pertinent à la bonne marche d'une coopérative.

Favoriser l'intercoopération entre les différents secteurs coopératifs de l'Estrie.

Nos services, orientés pour apporter une réponse aux besoins des coopératives, se sont diversifiés au fil des ans, entraînant l'embauche de nouveau personnel. De fait, l'équipe de la CDE compte présentement 15 personnes regroupées sous les directions suivantes:

1. Développement coopératif

Ce service est d'abord orienté vers la création de nouvelles coopératives. Nous offrons à cet égard un soutien technique sur différents aspects de l'organisation tels que: animation et structuration de groupe, étude de pré-faisabilité et de faisabilité, démarches légales, recherche et négociation de financement, etc.

Pour les coopératives en difficulté, nous offrons également des services d'aide au redressement et à la consolidation. La direction du développement comprend également un volet communications qui nous permet d'offrir un soutien à la promotion et à l'organisation de conférences de presse ou d'assemblées générales de même que de l'information aux coopératives.

Au cours des deux dernières années, nous avons mis beaucoup d'énergie à développer un nouveau type de coopérative:

La Coopérative de travailleurs à l'actionariat. Cette nouvelle formule répond à un besoin exprimé par des milliers de travailleurs de prendre part à la gestion des entreprises dans lesquelles ils travaillent.

Depuis 1985, le secteur du développement coopératif a aidé plus d'une centaine de groupes intéressés à démarrer ou à consolider leur entreprise coopérative.

Grâce à la solidarité des coopératives réunies au sein de la CDE, nous avons réussi à créer 19 nouvelles coopératives sur le territoire de l'Estrie.

La Coopérative de travailleurs à l'actionariat nous permet non seulement de créer de nouvelles coopératives mais également de consolider et, dans certains cas, de sauver des entreprises importantes de notre région.

L'impact économique de notre mouvement est de plus en plus reconnu par l'ensemble

(suite à la page 9)

Semaine de la coopération

L'intercoopération à l'honneur

Octobre 1989 a été marqué par un effort d'intercoopération important de la part de la CDE alors que nous organisons des activités pour souligner la Semaine nationale de la coopération.

Pour marquer l'évènement, la Coopérative de développement de l'Estrie a notamment procédé au lancement d'un répertoire des coopératives de la région. Le répertoire présente au delà de 300 coopératives regroupées par secteurs d'activités et par MRC.

Pour clôturer la Semaine, plus de 200 personnes représentant des coopératives et des organismes partenaires s'étaient donné rendez-vous lors d'une grande



Dans la catégorie coopérative de travail, le prix du mérite coopératif a été remis à la Coopérative de travailleurs Domiprest de Richmond. On aperçoit sur la photo quelques membres de l'équipe de Domiprest en compagnie de monsieur Albert Cueller (au centre), premier vice-président et directeur général de la Fédération des caisses populaires Desjardins de l'Estrie.

soirée de rencontre et d'échanges. Cette soirée d'intercoopération a notamment été marquée par la remise des prix du

Mérite coopératif. Six coopératives, une par secteur d'activités, ont été honorées pour leur implication dans le milieu. La

qualité de leur gestion, leur fonctionnement associatif et leur intercoopération. Des plaques soulignant cet honneur ont été remises aux coopératives par les représentants d'organismes partenaires.

Compte tenu du succès remporté en 1989 par cette activité, des retombées médiatiques de l'évènement et de l'accueil favorable des coopérateurs, nous avons maintenant les yeux tournés vers l'édition 1990 de la Semaine de la coopération. Nous comptons à nouveau promouvoir la coopération auprès de la population, souligner les réussites coopératives et favoriser des lieux d'échanges et de rencontres pour les coopérateurs et coopératrices de la région.

(suite de la page 6)

des intervenants régionaux. Les 360 emplois, créés ou maintenus grâce à notre intervention, se répartissent de la façon suivante:

- création de 151 emplois permanents et de 70 emplois à temps partiel;
- maintien de 139 emplois permanents.

Ils témoignent avec éloquence du dynamisme de notre CDR.

Un total de 1 473 700 \$ a été investi dans la réalisation de ces projets coopératifs. Dans le cas des coopératives de travailleurs à l'actionnariat, des investissements au sein de la coopérative ont permis aux entreprises d'obtenir différentes sources de financement pour un montant total de 3 550 000 \$.

2. Groupe conseil en gestion des ressources humaines et productivité

Depuis un peu plus d'un an, nous avons développé un nouveau volet orienté vers les services de développement des ressources humaines et la gestion de projets

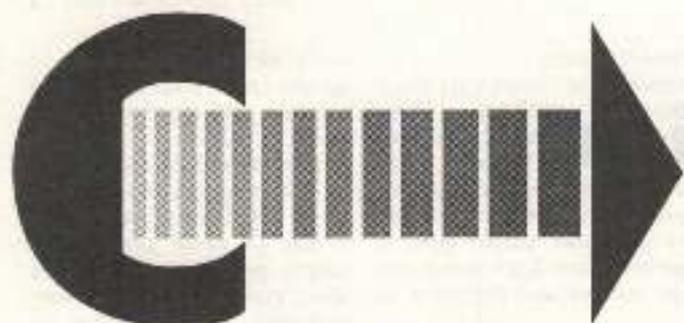
d'amélioration de la productivité. Toute cette démarche vise à permettre aux travailleurs de s'outiller davantage afin qu'ils puissent gérer leur milieu de travail. Grâce à des outils concrets, nous permettons aux travailleurs d'avoir un contrôle direct sur le processus de production. Cette démarche leur permet de se mobiliser et de trouver des solutions à leurs problèmes. Nous travaillons à instaurer ces systèmes dans huit entreprises coopératives de la région.

Les premiers résultats démontrent que notre action a entraîné des résultats concrets au niveau du fonctionnement des entreprises, puisque dans les deux premiers cas où nous sommes intervenus, la participation des travailleurs a amené une augmentation de la productivité de 67 % dans un cas et 38 % dans l'autre.

3. Services comptables

La C.D.E. offre également, par la voie de cette Direction, divers services financiers et comptables à des coopératives et petites entreprises. Outre la mise en place du système comptable et la vérification d'états financiers, le personnel de cette direction effectue les analyses financières des projets de même que la planification fiscale.

Une quarantaine d'entreprises ont présentement recours à nos services.



Coopérative de Développement Régional de Lanaudière

Sa structure

La Coopérative de développement régional de Lanaudière fondée en 1986 est composée de deux types d'organismes, soit les coopératives des secteurs des institutions financières, de l'habitation, de la consommation, et de travailleurs ainsi que les organismes sociaux, économiques des secteurs syndicaux, de l'enseignement institutionnel, de la promotion et du développement.

Nous avons aussi voulu inviter tous les types d'intervenants sociaux, et économiques qui souhaitent s'engager dans le développement économique régional de façon large et de façon plus particulière par la formule coopérative.

Un agent économique

La CDRL propose d'être à la fois un promoteur et un intervenant actif dans le domaine de l'entrepreneuriat principalement collectif. Nous sommes à la fois initiateur de projets d'entreprises et pourvoyeur de services aux promoteurs, aux porteurs de projet.

Le regroupement d'organismes que constitue la CDRL amène celle-ci à occuper un rôle de concertation régionale qui rassemble les idées de développement et l'expertise nécessaire aux réalisations concrètes.

Une nouvelle approche

Sans pour autant négliger les promoteurs qui requièrent ses services, la CDRL a expérimenté avec succès depuis deux ans l'approche du développement régional dite «sectorielle», particulièrement dans l'agro-alimentaire.

À partir d'une analyse des besoins de la région, de ses ressources et de l'impact sur celle-ci, la CDRL a invité les intervenants à cibler leurs actions dans des secteurs économiques choisis en vue d'un développement réfléchi et efficace.

La CDRL de Lanaudière propose de ne plus attendre les opportunités mais de les créer.

Ses réalisations

Depuis avril 1986

- Des interventions auprès de plus de 60 promoteurs d'entreprises dont 46 étaient des projets d'entreprises coopératives. Le démarrage de 6 entreprises coopératives dont la coopérative des intervenants en organisation Lanaudière qui s'est vu décerner le mérite de l'entreprise de l'année dans la catégorie Nouvelle entreprise par la Chambre de commerce du Grand Joliette pour l'année 1989.
- L'implantation de deux importants projets d'entreprises nés de la concertation régionale, appuyée par le sommet économique permanent de Lanaudière.
- Des interventions de support ponctuellement fournies à des coopératives existantes telles que coopérative d'habitation, coopérative de consommation.
- Autant de résultats en si peu de temps, sans appui financier du MICT, démontrent bien la pertinence et la capacité d'intervention de la CDR de Lanaudière.

La vocation de la CDR est double

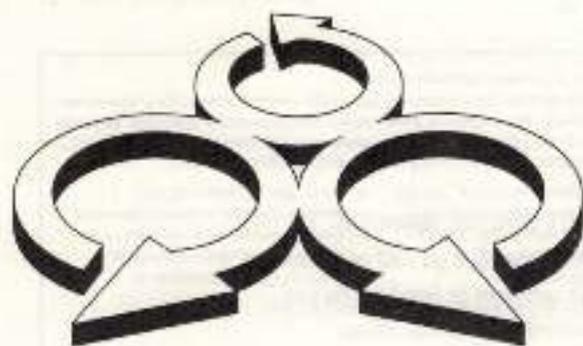
Être l'animateur coopératif de la région Lanaudière

La CDR de Lanaudière se définit comme l'animateur des entreprises de votre région, en vue de son développement économique.

Nous voulons par cette animation, participer au développement économique régional à partir des valeurs fondamentales de la coopération: valeurs de prise en charge, de participation, de partage, qui offrent un modèle de développement différent du modèle traditionnel.

Être un consultant compétent et efficace dans le développement d'entreprises de toutes natures sans égard à la formule juridique

L'expertise de la CDR, à partir des étapes de préféabilité d'un projet jusqu'au suivi après démarrage ou encore au développement, doit être disponible à tout promoteur. Notre capacité d'intervention offre une garantie supplémentaire de réussite aux projets.



COOPÉRATIVE de DÉVELOPPEMENT RÉGIONAL, RÉGION de QUÉBEC

- est un organisme de concertation et de développement coopératif;
- vise à regrouper toutes les coopératives de la région de Québec;
- est un lieu d'échange, d'animation et de planification;
- est porteuse de dossiers et s'inscrit dans des actions concrètes de développement.

Elle n'a cessé de se développer que grâce à ses initiatives de développement, la qualité de ses services et le goût de développer des entreprises performantes et dynamiques.

54 coopératives en cinq ans

Depuis 1985, la Coopérative de développement régional, région de Québec, a contribué à la mise sur pied de 54 nouvelles coopératives. De ce nombre, 39 étaient toujours en activité en septembre 1989. Avec des investissements de 4,4 millions de dollars, elles ont permis la création de 412 nouveaux emplois et le maintien de 289 autres. De plus, la CDRQ est intervenue dans des dossiers d'expansion, de consolidation et de redressement auprès de 50 coopératives, permettant ainsi le maintien de 519 emplois.

La CDRQ est donc un outil de développement économique jouant un rôle moteur dans la réalisation d'actions porteuses de développement; elle a un impact significatif sur la création, l'expansion, la consolidation des coopératives et sur l'économie de leurs régions.

Le territoire desservi par la CDRQ compte les régions suivantes: La Beauce, L'Amiante, Lotbinière, Montmagny-L'Islet, Charlevoix, Kamouraska, Portneuf, L'Érable, Québec Métro Rive Nord et Rive Sud (incluant Dorchester et Bellechasse) et compte un peu plus de six cents (600) coopératives.

Recherche et développement

La Coopérative de développement régional, région de Québec, vous offre la Matrice des objectifs. Cet outil permet de calculer l'indice de productivité et de pouvoir ainsi suivre la performance de l'entreprise dans le temps. Le but visé par cet outil est de fournir aux entreprises coopératives un instrument de gestion concret et pratique leur permettant de mesurer et d'améliorer leur productivité.

De plus, la CDRQ vient de mettre sur pied un service de recherche et de développement. Ce service aura pour mandat, entre autres, de développer des outils de gestion pratiques, simples, performants et adaptés pour les coopératives afin de leur permettre de relever le défi de l'amélioration continue dans leur gestion quotidienne. Cela leur permettra également de faire face aux enjeux des années '90 et du 2^e 000. La Matrice des objectifs, actuellement en expérimentation dans certaines coopératives, est un exemple du genre d'outils projetés.

Les avenues de recherche qui seront explorées s'inscrivent dans une stratégie globale de développement de la CDRQ pour les trois prochaines années.

Il s'agit pour elle, entre autres, d'acquiescer une expertise additionnelle avec l'appui des intervenants du milieu coopératif et non coopératif et d'offrir des services et instruments nouveaux de développement de grande qualité et qui répondent aux besoins des coopératives.

Le Mouvement Coopératif, un des principaux employeurs de la région 03

Le Mouvement Coopératif procure **4 224 emplois** dans la région de Québec, répartis comme suit:

Caisses populaires **2 648 emplois** — Coopératives de la région de Québec **737 emplois** —

Le secteur coopératif financier (région 03 — les caisses populaires mis à part) **839 emplois**.

La formule coopérative, une formule gagnante, une formule d'avenir

P.S.: région 03 — selon les nouvelles délimitations du Gouvernement du Québec.

Place à l'intercoopération

Tel était le thème de la dernière assemblée générale annuelle de la Coopérative de développement régional, région de Québec (CDRQ). Parmi les six principes de base du coopératisme, l'intercoopération présente la volonté de collaboration et de concertation dans la recherche de moyens visant à faire avancer des préoccupations communes. Bien que pour certains, le principe d'intercoopération a toujours été un vague concept philosophique, il faut reconnaître qu'il a fait l'objet d'applications pratiques dans la mise sur pied de nouvelles coopératives ou encore dans le redressement ou l'expansion de coopératives existantes.

Les fédérations sectorielles sont une réalisation concrète de cet esprit d'intercoopération.

L'intercoopération ne devrait pas être qu'un concept philosophique ou que de strictes relations d'affaires entre différents partenaires; elle doit englober ces deux dimensions dans la mesure où chacun des partenaires croit à la formule coopérative et désire la promouvoir et la développer.

À la CDRQ, nous essayons d'établir nos relations avec les coopératives sur une ba-

se d'affaires, à savoir que les deux parties sortent gagnantes d'une transaction.

Nous citerons pour illustrer ce propos, notre relation avec la coopérative Artis.

Artis offre des services de graphisme et a des besoins en gestion financière. La CDRQ offre un service de gestion financière et a des besoins en production graphique. Nous offrons donc réciproquement des services professionnels que nous facturons normalement.

Une façon concrète et économique de faire de l'intercoopération, c'est de se

demander, avant d'acheter un produit ou un service, si une coopérative peut l'offrir et de lui donner la chance de soumissionner. Par la suite, le client choisit son fournisseur sur une base d'affaires mais les coopératives ont eu la possibilité de présenter leur produit. Pour un rapport qualité/prix équivalent, une coopérative devrait être privilégiée.

Une autre belle occasion de faire de l'intercoopération qui est bien utilisée par le mouvement coopératif, il s'agit des regroupements sectoriels. Les fédérations sont des exemples de la force que peut représenter un regroupement de coopératives, la Fédération par exemple.

Pour vos besoins: nos services

Afin de répondre aux besoins des coopératives, la CDRQ offre des services professionnels à un prix compétitif. Ces services sont offerts par une équipe formée de conseiller(ère)s ayant une bonne expertise du milieu coopératif et du développement coopératif.

- aide à la comptabilité;
- aide à la productivité;
- aide à la communication-marketing;
- aide à la création et au démarrage;
- aide à la transformation d'entreprises;
- aide à la gestion des ressources humaines;
- aide à la consolidation et au développement;
- service de formation et d'information;
- service d'animation économique et de développement coopératif.

L'équipe qui vous rend ces services



De gauche à droite, première rangée, Yvon Lévesque, Marine Scudard, André Bouchard, deuxième rangée, André Mercier, Emmanuel Yeo, Gérard Parrot, Pierre Lussard, Ronald Dupuis. N'apparaissent pas sur la photo, Jacques Genest, du bureau de Theford Mines et ses deux secrétaires, Denise Archibald et Josée Duval.

Dans la même veine, mais à une échelle plus réduite, les coopératives de consommation qui, pour une action précise, «la Commission parlementaire sur les heures d'affaires», se sont regroupées d'une façon informelle avec le support de la CDRQ et ont présenté un mémoire pour défendre leur point de vue.

Nous pourrions donner encore plusieurs exemples de ces manifestations d'intercoopération. Pensons aux coopératives qui vont chercher leurs services financiers dans des Caisses populaires ou qui s'assurent auprès d'entreprises coopératives. Soulignons aussi le Mouvement Desjardins qui supporte des fédérations provinciales et régionales et qui a choisi comme nouveau slogan «l'incroyable force de la coopération».

L'incroyable force de la coopération est bien illustrée par la Coopérative de développement régional, région de Québec qui depuis 1985, grâce au regroupement de ses 150 membres, a permis la création de 54 coopératives qui ont contribué à la création de 412 nouveaux emplois permanents et au maintien de 289 autres emplois.



LA COOPÉRATIVE DE DÉVELOPPEMENT RÉGIONAL *Saguenay – Lac-St-Jean 02*

Toujours présente dans son milieu

Historiquement développée pour ses ressources naturelles et géographiquement isolée, la région du Saguenay-Lac St-Jean regroupe une population débrouillarde et dotée d'un esprit d'entraide. C'est sur cette base que la coopération s'est développée et qu'elle se perpétue encore aujourd'hui. Aux prises avec des problèmes d'emplois, d'exode et de diversification de ses entreprises, les régionaux trouvent dans la coopération et l'intercoopération un moyen efficace conduisant à l'auto-développement.

Le Saguenay-Lac St-Jean qui contient 4,4% de la population du Québec regroupe à lui seul 7,2% des coopératives. C'est là un indicateur du dynamisme coopératif existant dans notre région. Actuellement, on compte 209 entreprises coopératives au Saguenay-Lac St-Jean. Ces entreprises procurent du travail à 3 728 personnes.

Depuis plus de 20 ans, les leaders de la coopération au Saguenay-Lac St-Jean s'acharment sans relâche, le plus souvent bénévolement, à maintenir un organisme de développement coopératif dans notre région. **D'abord avec le CRI (Conseil régional de l'intercoopéra-**

tion) en 1974, ensuite avec la CDR en 1985. Malgré de nombreuses difficultés à l'égard de son propre financement, la CDR du Saguenay-Lac St-Jean affiche un bilan plus que positif soit:

- Aide à la constitution de 34 coopératives et à la création et au maintien de 362 emplois;
- Participe à l'expérimentation du démarrage de coopératives de travailleurs dans le cadre du Programme national d'aide à l'innovation (PNAI);
- Prévoit la tenue d'un Forum devant

regrouper toutes les coopératives de la région du Saguenay-Lac St-Jean pour l'automne 1990;

- Participe à la tenue et à l'organisation des tables sectorielles sur la coopération en vue du prochain Sommet socio-économique régional.

Une organisation dynamique et représentative

La CDR rejoint l'ensemble des coopérateurs de la région du Saguenay-Lac St-Jean par l'entremise de ses 33 entreprises membres dont plusieurs sont des fédérations.

Des services adaptés

La Coopérative de développement régional du Saguenay-Lac St-Jean est un organisme qui s'inscrit dans l'action. La promotion, la dynamisation de l'entrepreneuriat coopératif, la concertation entre ses membres, la création et le développement de coopératives sont au cœur de ses préoccupations.

Les services qu'offre la CDR vont en ce sens:

- analyse de projets;
- études de faisabilité;
- recherche de financement;
- formation juridique;
- organisation interne;
- formation sur la gestion;
- formation sur la coopération;
- suivi de l'entreprise coopérative.

Tournée vers l'avenir

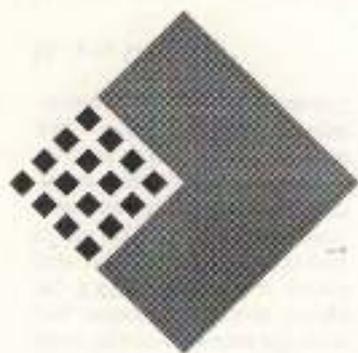
Nos bases coopératives sont bien implantées. Les défis de demain pour le monde de la coopération au Saguenay-Lac St-Jean consistent à préserver et à développer l'alternative coopérative comme moyen pour pallier aux problèmes liés au développement de l'emploi et à l'utilisation des ressources sur notre territoire.

Son conseil d'administration

Nelson Bonneau , président	Coop. Construction ROBEC
Jacques Desbiens , vice-président	Fédération des caisses populaires
Marcel Boivin , trésorier	UPA
Thérèse Tremblay , administrateur	Caisse populaire Saint-Luc
Raymond Marceau , administrateur	Fédération des coopératives d'alimentation
Maurice Laberge , administrateur	Fédération des coopératives de consommation
Léonard Côté , administrateur	Nutrinor
Denis Bordeleau , administrateur	LNNM

L'équipe

- Viateur Beupré**, directeur et secrétaire exécutif
- Marie Joëlle Brassard**, agente de développement régional
- Annie Lachance**, secrétaire-trésorière



**LE GROUPE
DE CONSULTATION**
pour le maintien
et la création d'emploi
du Québec

Connu sous le nom abrégé de «Le Groupe de consultation», cet organisme existe depuis le début de 1987, regroupant des consultants professionnels en comptabilité, en marketing, en génie industriel, en gestion et organisation coopérative. Son siège social se trouve sur la Rive-sud de Montréal mais son champ d'action s'étend à la grandeur du Québec.

Le groupe de consultation tire son originalité de deux caractéristiques principales: c'est à travers le créneau de l'emploi qu'il contribue au développement de projets coopératifs et il exécute des mandats en provenance des travailleurs, dans le cadre d'une collaboration privilégiée avec la CSN qui regroupe près de 2 500 syndicats et plus de 240 000 membres.

Syndicalisme et entrepreneurship

Encore unique au Québec, cette collaboration novatrice occupe une part importante des activités du Groupe de consultation et rencontre une préoccupation de la CSN de fournir une expertise professionnelle aux travailleurs confrontés à des fermetures d'entreprises et des licenciements ou tout simplement désireux d'acquiescer un plus grand contrôle sur leur travail. Profitant de cette expertise, déjà plusieurs coopératives de travailleurs ont pu voir le jour, notamment dans le secteur ambulancier et dans la métallurgie.

Jonction originale entre les aspirations démocratiques des travailleurs et la réalité du monde des affaires, l'existence du Groupe de consultation illustre une évolution de la conscience syndicale. Il marque le passage d'un syndicalisme défensif à un syndicalisme qui assume dynamiquement le destin de l'entreprise et récupère



Jean-Robert Pelletier et Roger Luchapelle, membres de la CETAM

créativement le potentiel d'entrepreneurship contenu dans le processus historique d'organisation des travailleurs. Cette orientation vient d'être récemment

consacrée par le 55^e congrès de la CSN qui a mis de l'avant avec force, l'idée de partenariat économique des travailleurs.

«Le groupe de consultation, c'est un instrument pour s'adapter aux défis syndicaux de demain. Désormais, il nous faut être outillé pour négocier même le destin de l'entreprise»

Une démarche qui s'appuie sur la formation

Soucieux d'établir sur des bases solides les projets auxquels il contribue, le Groupe de consultation accorde une large place à l'éducation coopérative. Au cours de la dernière année, quelques centaines de travailleurs ont été rejoints, par des séminaires qu'il a réalisés avec l'appui de la Direction générale des coopératives et la Commission de la formation professionnelle. Depuis l'automne 1989, suite à un protocole d'entente signé avec l'IRECUS de l'Université de Sherbrooke, le Groupe de consultation est en mesure d'offrir un nouveau programme de formation donnant droit à des crédits universitaires.



Des réalisations variées

La mission du Groupe de consultation s'adresse donc à tout projet de création d'entreprise en provenance de toutes sources et de tous milieux. Ses réalisations sont des plus variées, comprenant des études de marché dans plusieurs secteurs, des analyses financières, des interventions en gestion, des études techniques d'implantation industrielle, des recherches sur le recyclage des déchets, une incursion dans le domaine des garderies et des loisirs de plein air, jusqu'à des projets de coopération internationale.

Le Groupe de consultation pour le maintien et la création d'emploi du Québec

32^e avenue, rue St-Charles, Bureau 400, Longueuil (Québec) J4H 1C6
Téléphone (514) 646-7946, Télécopieur (514) 646-3403

NOS RÉALISATIONS

1. Profil des mandats

Nombre	81
Provenance des dossiers	56 (groupes CSN) 25 (autres groupes)
Nombre d'emplois dans les entreprises concernées	3 500

2. Études

Études réalisées	22 dossiers d'acquisition 32 dossiers d'analyse financière 12 études de démographie 23 études de marché 5 études de gestion
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3. Formation

Heures totales de formation	3 096
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4. Emplois

Nombre d'emplois maintenus ou directement créés	1 100
Coopérative de travail démarrées	7
Autres démarrages d'entreprises	3

5. Investissements

Investissements faits par les travailleuses et travailleurs	1,7 million \$
Appuis financiers obtenus de nos institutions financières*	25 millions \$
Autres institutions financières	2 millions \$
(Incluant le cautionnement fourni par la SDC**)	7 millions \$
Subventions	200 mille \$
Investissements totaux	28,9 millions \$

* La Caisse populaire des syndicats nationaux de Montréal et la caisse d'économie des travailleuses et travailleurs de Québec

** La Société de développement des coopératives

Neuf rencontres sur le Service de mise en marché

Dans le but d'aider les coopératives membres à ouvrir de nouveaux marchés, la Fédération tiendra neuf rencontres régionales d'information sur son nouveau Service de mise en marché. Quatre premières rencontres auront lieu en mai et juin, alors que les cinq autres se dérouleront en août et septembre.

Les premières rencontres toucheront les régions de Québec, Chaudière-Appalaches (18 mai), Saguenay—Lac St-Jean (25 mai), Laurentides, Lanaudière (1er juin) et Mauricie, Bois-Francs (8 juin). Plus d'une cinquantaine de coopératives de travail seront ainsi rejointes et pourront obtenir toutes les informations nécessaires sur le Service de mise en marché (SMM) dont, on s'en souvient, l'implantation a été décidée lors de l'assemblée générale de janvier dernier.

Les représentants de la FQCT expliqueront comment ils comptent utiliser des outils tels que le «Catalogue des biens et services produits par les coopératives de travail du Québec» pour mettre en contact les coopératives adhérant au SMM avec des clients potentiels. Ces derniers seront recrutés, dans un premier temps, à l'inférieur du mouvement coopératif québécois.

Le fait de tenir ces rencontres dans des caisses populaires ou les locaux de fédérations régionales du mouvement Desjardins manifeste la volonté claire des dirigeants de la FQCT d'émbarquer le plus tôt possible les autres groupes de coopératives dans cette opération d'intercoopération. De plus, M. Raymond Lemieux, de la Confédération des caisses Desjardins, participera à chacune des rencontres afin de connaître les multiples secteurs d'activité économique touchés par l'ensemble des coopératives de travail. Plus qu'un simple observateur, M. Lemieux est mandaté pour aider la FQCT à mettre en place le SMM, vu l'entente de collaboration signée avec Desjardins l'été dernier.

Enfin, mentionnons qu'une période de temps est prévue lors de ces rencontres pour faire le point sur les revendications fiscales adoptées lors de la dernière assemblée générale de la Fédération. L'une de ces revendications concerne l'admissibilité au RÉER des parts privilégiées détenues dans une coopérative de travail.

Vous pouvez déjà utiliser le SMM de votre Fédération!

Pas nécessaire d'attendre d'avoir les outils de représentation les plus sophistiqués pour mettre en marche le Service de mise en marché (SMM) de la Fédération québécoise des coopératives de travail. Vous pouvez déjà utiliser ce nouveau service de votre Fédération.

D'ailleurs, les premiers contrats d'intercoopération reliés à l'action de la FQCT remontent à l'automne 89, soit avant la naissance du SMM lui-même! C'est ce qui s'appelle ne pas dormir sur les tablettes! Certaines coopératives ont en effet exprimé cette envie à propos du «Catalogue des produits coopératifs» présentement en préparation: «Des répertoires de coopératives, on en voit plusieurs qui dorment sur les tablettes...», souligne-t-on.

La meilleure garantie que ce n'est pas là le sort qui attend le «Catalogue», c'est que le financement de la Fédération est étroitement lié à la réussite du SMM. La FQCT a donc tout intérêt que ses membres à stimuler les affaires entre coopératives et à leur trouver de nouveaux clients.

Pour utiliser le SMM, en plus d'être membre de la Fédération, il faut signer un contrat définissant les modalités du service et les responsabilités des deux parties, c'est-à-dire la Fédération et la coopérative. Ce contrat est le clé d'accès au Service et il stipule le pourcentage de commission que la coopérative devra verser à la FQCT lorsque, grâce à celui-ci, la coopérative décrochera un ou plusieurs nouveaux contrats. Rappelons que l'assemblée générale de janvier dernier a fixé cette commission à un minimum de 2% des ventes brutes, de préférence à une commission fixe et identique pour toutes les coopératives, afin de permettre la flexibilité qu'impose la très grande diversité des services et produits des coopératives de travail.

Concrètement, dès la première rencontre régionale, le 18 mai, le Directeur général de la FQCT pourra signer des contrats avec les coopératives intéressées et commencera aussitôt son travail de représentation auprès des marchés cibles. Cependant, cela ne veut pas dire qu'il faudra attendre la tenue de l'assemblée d'information dans sa région pour adhérer au SMM. Un simple coup de fil au 418-692-2026 peut suffire à amorcer le travail.

Revendications sur la fiscalité des coopératives de travail adoptées par l'Assemblée générale de la Fédération québécoise des coopératives de travail (FQCT) le 27 janvier 1990.

Bloc 1 Augmenter la capitalisation des coopératives:

- 1.1 Que les parts détenues dans une coopérative de travail soient admissibles à un régime enregistré d'épargne retraite (REÉR).
- 1.2 Que l'avantage fiscal du Régime d'investissement coopératif (RIC) soit donné non plus à l'individu mais à la coopérative sous forme d'un versement direct, non imposable, versé dans la réserve générale.

Bloc 2 Permettre aux membres de toucher une partie de l'actif de leur entreprise:

- 2.1 Que l'on permette la création, dans une coopérative de travail, d'une seconde réserve «partageable» et constituée essentiellement des excédents non répartis (ENR). Cette proposition conserve le concept de la réserve impartageable alimentée par le RIC et par une part des surplus.
- 2.2 Que cette réserve partageable soit répartie au moment du départ d'un membre sur la base de l'usage, c'est-à-dire les heures reconnues au membre par la coopérative comme travaillées, avec ou sans rémunération, selon une formule votée en assemblée générale et incluse dans le Règlement de régime interne.
- 2.3 Que les déficits d'opération de la coopérative soient d'abord absorbés par cette réserve partageable (ENR) et, par la suite, par la réserve impartageable.
- 2.4 Que l'expression «réserve partageable» soit remplacée par l'appellation «Fonds ENR» (excédents non répartis).
- 2.5 Que d'autres personnes que les membres et employé(es) d'une coopérative puissent participer au programme de capitalisation de cette coopérative.