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Inside

Across the Nation 7

Around the World 38

Book Reviews

Workers' Co-operatives: A People centered Approach to Regional Development/*Huffman* 25

Beyond the Market and The State/*Phillips* 25

Conferences 3

Features

Worker co-ops mushrooming in the Soviet economy/*Quarter* 32

Co-ops to take leading role in "Perestroika", Gorbachev tells Soviet People 33

Atlantic worker co-ops survive longer than conventional businesses: historical research suggests/*Udo Staber* 36

Forum

A Planetary Approach to Community Economic Development/*Dauncey* 4

A case of sweetness, not light
A response to Guy Dauncey/*MacDonald* 6

Letters 3

People

Ron Grant: making it on his own terms/*Huffman* 21

Profile

Passe-Montagne Markets the Canadian North/*Bérard, Labelle* 28

Shoptalk

To Zimbabwe with love from Saskatchewan/*Mitchell, Pavo* 23

Update

Our Times: unionized worker co-op continues to grow/*Phillips* 31



Ron Grant of Future Forestry Services Co-op Ltd. New Glasgow, Nova Scotia

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Luxton Interview

I enjoyed reading Grant MacDonald's interview with Meg Luxton (*Worker Co-ops*, Spring 1988). Luxton raised some important political issues: the varying resources of co-op members, the tensions between volunteers and paid staff, and the role of feminism in the co-operative movement.

The interview is a reminder that co-operatives are more than a means of creating and saving jobs. Co-operatives are a response to the power structures in the traditional workplace which are oppressive to many workers. In seeking more humanistic, democratic structures

through co-operatives, it is worth attending to the power relations in the new structures that we create.

My thanks to MacDonald for a stimulating interview.

Jo-Ann Hannah
1249A Dundas St. W.
Toronto

Worker Co-ops welcomes letters and conference information from its readers. Write to: Worker Co-ops Magazine, c/o The Worker Ownership Development Foundation, 348 Danforth Ave., Suite 212, Toronto, Ontario M4E 1A9.

Community economic development programs

New Hampshire College is the only licensed and accredited institution in the United States which offers a masters degree in Community Economic Development (CED). This program meets one weekend per month for a duration of 16 months and provides support for the students' CED work back in their home communities. If you have already made a commitment to social change work, and want to increase your skills in a program designed for adult learners, please contact:

Michael Swack
CED Program
New Hampshire College
2500 N. River Road
Manchester, NH 03104
(603) 668-2211, Ext. 3043

Conferences

Worker Co-ops in Canada August 12-14

Sponsored by the Worker Ownership Development Foundation, this conference will provide an opportunity to review the progress of the Canadian movement and to consider future planning strategies. The conference will be held at beautiful Grindstone Island near Kingston, Ontario.

For information contact Grindstone Co-op, P.O. Box 564, Station P, Toronto, Ontario M5S 2T1; (416) 923-4215. ■

CIRIEC Bordeaux, September 19-21

The topic of CIRIEC's 17th International Congress will be "Mixed Economic Systems in Modern Economies." The presentations will range from the practical to the theoretical and include co-operatives.

For information about registration contact CIRIEC, Bordeaux - Congress, Palais des Congrès, 33300 Bordeaux Lac, France; (Phone) 56.50.84.49. ■

Co-op Movement Strategy Conference at Grindstone August 7-14,

The theme of the ninth annual Grindstone "Co-op Movement Strategy Conference" will be "The Co-op Difference" -- a time for critical reflection on what makes co-ops different and how we present or market these essential differences to those outside the movement. Mark Goldblatt, Executive Director of Co-operative Housing Foundation, will act as keynote speaker.

For further information, contact Grindstone Co-op, 202 427 Bloor Street West, Toronto, Ontario M5S 1X7; (416) 968-9187.



Guy Dauncey

A Planetary Approach to Community Economic Development

In the wake of the stock market crash of October 1987, and the uncertainties that have followed it, there may be a new receptiveness towards previously unorthodox and sideline approaches to economic development. The simple truths of Reaganomics may no longer seem as attractive as they once did.

Under the speculative rift which has caused the collapse of financial markets around the world lie deeper rifts of a more profound nature. These are:

1. the rift which separates the ability of the major debtor nations to repay even the interest on their debts, and the ability of the banking system to say to its customers, "Don't worry, we'll make it through";

2. the rift between the inability of free-market economics to build long-term ecological factors into its equations, and the planet's ability to sustain the assault which this failure permits (ozone holes, acid rain, warming of the global atmosphere);

3. the rift between the inability of orthodox economics to deliver its "trickle down" effects in terms of jobs and prosperity to communities which have been hard hit by recession and by technological change, and the need of depressed regions and oppressed minorities to enjoy economic development;

4. the rift between this trickle-down philosophy and the need being expressed in many countries to find a way of development which will not destroy rural cultures, eat away at the natural environment and create horrific mega-slums;

5. the rift between the mode of consciousness required to deliver materialistic, value-free, economic development, and the spiritual and emotional questions which increasing numbers of people are asking as they seek to realize purpose, meaning and joy in their lives, as well as material security.

Solutions apparent

Yet within the little known field of community economics lie solutions to these rifts. By community economics I refer to a co-operative- and community-based approach to local economic development. There have been three distinct phases of community economic development:

1. the formation of worker co-ops, housing co-ops, credit unions, co-operative day-care and co-op schools, as relatively isolated and self-contained initiatives;

2. the development of community-based approaches to more orthodox economic development through local development agencies such as the Nanaimo Community Employment Advisory Society or the Point St. Charles Economic Program in Montreal;

3. the development of more integrated community economic strategies such as Minneapolis-St. Paul's "Homegrown Economy" impulse.

Community economics is an art-form that

nobody notices; it is like the tiny mammals that scurried around under the feet of the dinosaurs. Only when the dinosaurs departed did they truly come into their own. The departure of some of our modern financial and economic dinosaurs may perhaps be imminent.

CED works

Traditional economic development assumes that five per cent of the working population will own and control enterprises, and the other 95 per cent will work in them. When unemployment rises, it is always the poor, the unskilled, colored minorities and the handicapped who find themselves on welfare at the bottom of the heap. Yet in Minneapolis-St. Paul, the Women's Economic Development Corporation (WEDCO), a community nonprofit initiative, helped over 550 women start their own businesses between 1983-85. Twenty-six per cent of these women were single mothers or had previously been on welfare. Through first-class business training, personally-tailored counselling and easy access to loans through local banks, a 98 per cent success ratio has been realized.

In Britain the failure rate for new small businesses (according to value-added tax returns) is one in three by the third year. For new businesses that are started with help from local enterprise agencies (non-profit community advisory groups), the rate is one in six. In the Briarpatch Network in San Francisco, a mutual-help club of like-minded ecologically-oriented businesses, the failure rate is down to one in nine. Among new co-operatives in Britain, most of which are being set up with support from local Co-operative Development agencies, the failure rate is only one in eight.

The unthinkable is happening

Seven years ago, it was considered unthinkable for unemployed teenagers to set up their own businesses. Today in towns and cities in Scotland and Northern England, a grid of non-profit business-support systems is being set up which allows such youngsters to find appropriate ideas, carry out market analyses, draw up business plans,

get training in business techniques, obtain low-interest loan capital, and get started. And once they are going, they can seek further support and advice from the agencies which helped them. These follow-up activities include young people's trade and export fairs and learning about expansion. A new enterprise culture is being born -- but underpinning it are non-profit institutions which serve the local community and which operate within a co-operative community-based value-system.

In these same localities, new financial funds are being established to channel local money into local initiatives, such as the Lancashire Enterprise Fund. The yield from these funds is tied to local production, not to the paper-yields which come from generalized market speculation.

Mercury Provident, a British-licensed deposit-taking institution founded on the spiritual principles of Rudolf Steiner, makes variable-interest loans to business, social and educational projects. The loans are underpinned by a "community of guarantors", a group of 50 or even 100 people who say, "Yes, we'll underwrite that loan," and who provide a social guarantee, replacing the traditional concept of personal financial equity or collateral as a basis for loan security.

Small initiatives grow

These initiatives may seem small. So did the early mammals. In 1987, a new local development agency may feel brave if it raises the finance for, and then successfully executes, a small non-profit housing scheme. In 1997 the same group might confidently bid for a \$200-million contract to establish major community housing, shopping, leisure and business complexes, the profit from which would flow to local people and be used for community purposes, stimulating further trade.

The businesses established within the complex might be offered loan-finance, training, product-development assistance and other forms of support as part of an accepted "we help you, you help us" package. In turn, the businesses adhere to agreed ecological codes, trade in a socially responsible way,

involve themselves in community affairs, and maximize employee participation and ownership.

In the wake of the Crash of '87, one of the major tasks of 1988 must be for community economic activists to start walking tall, talking about their achievements and underlining the role of community-based economic development policies in the creation of stable, sustainable and financially and ecologically secure economic futures. The waves of speculative money that have been washing around the world without regard to any of the major planetary issues facing us are now being seen for what they are -- a threat to planetary stability. If

we are going to talk about sustainable growth, community economics is the appropriate language. And now is the time.

Guy Dauncey is an independent writer on community economic affairs and a holistic careers consultant operating in Britain and Canada. He is the author of The New Unemployment Handbook (1987, National Extension College, 18 Brooklands Avenue, Cambridge U.K. CB2 2HN, \$6.95). He can be reached at 17 Mackeson Rd., London NW3 2LU U.K.■



A case of sweetness, not light A response to Guy Dauncey

Grant MacDonald

The possibility of a moral economy rising up from the ashes of a corrupt and insensitive one is not a new vision. It has been the basis of co-operative thought and action for more than a century. In the 1980s the dream of a moral economy is being cloaked in the optimistic but simplistic language of "community economic development."

It is easy to find examples of successful little enterprises springing up from local efforts. But the effect is not all that different from that we are expected to get from the example of the working-class kid who becomes a famous doctor or wealthy entrepreneur -- people with imagination and perserverance can change the circumstances of their lives. It is a message which ignores the circumstances which systematically keep the majority of people down and out.

CED has become a buzzword for virtually any kind of economic development effort. Terms like local, co-operative, community-based and socially responsible are very appealing, but their meanings are not self-evident.

There is much to be learned about approaches to economic development that provide not just jobs but economic and political power to those to whom it has traditionally been denied. What works? What does not? How do disadvantaged communities and groups organise themselves to create viable economic organizations where people can do satisfying, useful work? What can these groups do for themselves? What allies do they have? And, what changes have to be made at the political level so that their success becomes the rule rather than the exception?

Grant MacDonald is a community development worker at Henson College of Public Affairs and Continuing Education, Dalhousie University, Halifax, Nova Scotia B3H 3J5; (902) 424-2526.■

We make the time



The Honourable Barbara McDougall
Federal Minister of Employment and Immigration

Resource groups in Toronto and Winnipeg are the beneficiaries of a \$249,300 Innovations grant announced by Federal Minister of Employment and Immigration, Barbara McDougall, on June 20. The Canadian Co-operative Association and its member organizations are also contributing \$25,000 to the two-year project, designed to test mechanisms for facilitating worker co-op buyouts, either when a plant is shut down or an industry is restructured.

As project manager, CCA has contracted with the Worker Ownership Development Foundation for the Toronto portion of the work. Arrangements still are being made for Winnipeg.

The CCA chose Toronto and Winnipeg because both cities are experiencing a high degree of industrial change and both present an opportunity for worker co-op buyouts.

It is anticipated that the project will be up and running by September.

CCA nicks Innovations for \$249,300 buyouts project

by

Albert Chambers

Cabinet ministers give priority to worker co-operatives

Albert Chambers

Worker co-operatives dominated the agenda of the third conference of government ministers and co-operative leaders. Held in Halifax, June 13-14, the conference was attended by cabinet ministers representing the Federal Government, Nova Scotia, Prince Edward Island, Newfoundland and Saskatchewan.



The Honorable Charles Meyer

number of worker co-operatives has doubled to 393.

The importance of resource or development groups was emphasized in presentations by the acting director of Quebec's co-operatives, Mario Jean, and by CCA president, Ian MacPherson.

The CCA sees the need for at least five regionally-based resource groups in the next three years. The resource groups could be initiated in one region with a strong demand and where some capacity already exists, and then transplanted to other regions. The cost of their services would be covered from a special fund and fees charged to clients.

The conference communique stated that "ministers and co-op representatives work together to suggest strategies for co-operative development with special emphasis on worker co-ops and capital formation."

A committee of government officials and co-operative organizations was asked to follow up on the Halifax meeting. The work of the committee should be strengthened by the trend of provincial governments to put co-operatives under either the minister of industry or economic development.

Also, the CCA advisory committee on worker co-ops, established earlier this year, should improve upon the co-operative sector's capacity to participate in subsequent meetings of ministers.

For more information, contact **Albert Chambers, Director of**

Government Affairs, Canadian Co-operative Association, 406-275 Bank St., Ottawa, Ontario K2P 2L6; (613) 238-6711.

High school students introduced to worker co-ops

Melanie Conn

A curriculum module for teaching secondary students about worker co-ops is being piloted across Canada. The module is part of "Co-operative Outlooks", a manual developed (and currently under revision) by the Canadian Co-operative Association for use by teachers in secondary schools. Designed for use in business education courses at the Grade 11 and 12 level, Co-operative Entrepreneurship takes students through the process of creating and operating a worker co-op. According to Mike Grant, the director of the project, the response from many students has been enthusiastic: "They said they'd never thought of having control over their work life before."

Co-operative Entrepreneurship was prepared by Jo-Ann Hannah, a community psychology student at the Ontario Institute for Studies in Education (OISE), with the assistance of Karen Caverhill of OISE, and Wally Brant of the Worker Ownership Development Foundation.

For more information, contact **Mike Grant, Canadian Co-operative Association, 2008 Lower Mall, University of British Columbia, Vancouver, B.C. V6T 1Z5; (604) 228-4821.**

Government officials were present from the other six provinces and the Northwest Territories. The co-operative sector was represented by the Canadian Co-operative Association and the Conseil Canadien de la Coopération.

The worker co-operative session lasted over two hours. It included an introductory presentation by Co-op Atlantic researcher and manager, Tom Webb, on the international context and developmental strategies for Canada.

Alain Roy of the Co-operative Secretariat highlighted the growth of Canadian worker co-operatives to over 15,000 members in 1987. Roy indicated that between 1984 and 1987, the

Teenwork

High school students in Vancouver are working in a co-op this summer! Organized by CCEC Credit Union, Teenwork offers students the chance to organize their own employment. Technical support for the project comes from an advisory group of representatives from: CCEC, CRS Workers' Co-op, WomenSkills, Roof Raisers Housing Society, Canada World Youth, and Vancouver Community College. A co-ordinator for Teenwork has been hired through a Challenge-88 grant, with additional financial support from the co-op community.

For more information contact Cindy Shore at CCEC Credit Union, 33 East Broadway, Vancouver, B.C. V5T 1V4; (604) 876-2123.

Housing co-ops learn about worker co-ops

Dana Weber

The Co-op Housing Foundation of Canada held its Annual General Meeting in Vancouver this year, and worker co-ops, as well as other community development issues, were on the agenda.

The worker co-ops workshop explained how the co-op principles familiar to housing co-op residents could be applied in the workplace. It also suggested ways that a housing co-op, through its policies and proced-

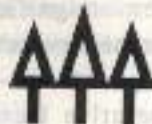
ures, might support members who want to create their own employment.

Another workshop, "More Than Housing", took a case study approach to two B.C. housing co-operatives whose members have been involved in developing a restaurant and a muffin shop employing mentally-handicapped young adults.

B.C. Desk

New starts in British Columbia

Melanie Conn
Dana Weber



Diversified

Laid-off workers from a mill in New Westminster have formed a worker-owned company to produce wood parts for prefabricated furniture. Diversified Wood Products has been incorporated on the model of Lamford Forest Products to ensure that each worker-shareholder holds only one voting share.

Lamford has been an important player in the development of the new company: it has offered scrap wood as a source of raw material and has made facilities available at a very low cost. The participation of Lamford has encouraged the new company to

proceed with market research and fund raising.

For more information contact Ralph McMillan, IWA Local 1-357, 1176 8th Ave., New Westminster, B.C. V3M 2R6; (604) 521-1858.

Eastside

Eastside Data Graphics, specializing in typesetting, desktop publishing, and stationery sales, is one of B.C.'s newest worker-owned and controlled firms. Although the firm is incorporated as a limited company, the shareholders' agreement is based on co-op principles.

Eastside's worker-members belong to the Industrial Workers of the World (IWW). Under the terms of IWW's collective agreement no individual may have the power to hire and fire another.

The collective operates by consensus which is defined in an appendix to the agreement.

At this point Eastside consists of four members, each of whom has bought one class-A voting share worth \$15,000. The firm also has Class-B shares, which are non-voting and which will carry the value of the co-op's retained earnings.





Saskatchewan

Margret Asmuss

Major co-operatives looking at Co-op Development Fund

For the last two years a Saskatchewan task force has studied the possibility of the province's large co-operatives establishing a fund which would provide start-up capital for new co-operative ventures including worker co-operatives. The study was initiated by the Saskatchewan Wheat Pool, Credit Union Central of Saskatchewan and The Co-operators.

Initially the task force members, Dale Hellman of CUC, Lyle Spenser of the SWP and Bill Dinu of the Co-operators, were charged with investigating the possibility of channelling funds to prospective co-operative ventures through Saskatchewan's Venture Capital Program. This approach did not, however, prove to be feasible. The task force then studied other options. Towards the end of May, 1988 the results of these studies were submitted to the boards and Chief Executive Officers of the three co-ops involved, as well as of Federated Co-operatives and Co-operative Trust.

It is anticipated that reaction to the submitted proposals will

not be finalized for about another six months. Although details of the proposal are not available, it is known that, if accepted, the task force's recommendation would ensure not only access to start-up capital, but would also provide a mechanism whereby the established co-ops could offer expertise and guidance to the emerging co-ops. Especially in light of anticipated reductions in the number of Co-operative Business Consultants in Saskatchewan, it appears that such services would be in demand.

Co-operatives Branch phased down

The last fifteen months have seen significant changes for Saskatchewan's former Department of Co-operation and Co-operative Development. It is not exactly clear what the implications of these changes will be within the co-operative sector, but it seems clear that those that are most affected include worker co-ops and other co-ops that do not fall into the fold of the province's major co-operatives.

The former Department of Co-operatives and Co-operative Development was disbanded last April, about six months after the re-election of the Progressive Conservatives in Saskatchewan. The department was amalgamated with Tourism and Small Business to become the Department of Tourism, Small Business and Co-operatives. The amalgamation was accompanied by lay-offs in the department. Earlier this year, this newly formed depart-

ment was further amalgamated with the Department of Economic Development. The newly formed department of Economic Development and Tourism includes a Co-operatives Branch.

Although it has not yet been confirmed it appears that the new Co-operatives Branch will soon be further phased down. It is anticipated that three people will be relocated to the head office in Regina to work on program development, four people will be offered positions as general business consultants within the department and five people will be retained as Co-operative Business Consultants. This compares to about 22 Co-operative Business Consultants seven years ago.

Manitoba

Manitoba co-ops go through ups and downs

Jeremy Hull

Although more than 30 worker co-operatives have been incorporated in Manitoba through the Employment Co-operative Program during the past three years, many of these have not yet become operational. Some of the co-ops now have been in operation for a year or more and are beginning to experience the rigors of business survival after the initial blush of enthusiasm has worn off.

Accu-graphics by Jeremy Hull

One of the early worker co-ops formed under the Manitoba program was Accu-Graphics. This co-op, which was created when the Wallingford Press in Winnipeg wanted to divest itself of its graphics section, has experienced some ups and downs in its three years of existence. During the first year, 90 percent of the co-op's business was with Wallingford. Aware that this left them dependent and vulnerable, the co-op planned to develop alternative clients in the printing field. In fact, the owner of Wallingford had told them not to depend on him since he was going through a down-sizing process. However, Accu-Graphics was so busy with the Wallingford work that it had trouble finding the time to



Ron McCulloch, Vice President
(Horizontal camera)

develop new markets. Just as it had achieved the ability to hire new staff to take on other contracts, the work from Wallingford dried up.

In their second year only 45 percent of their business came from Wallingford. The co-op received a second blow when one of its key employees died. It was forced during this year to scramble for additional contracts and markets.

Now in its third year, Accu-Graphics has diversified its client base and at the same time has been receiving more business from Wallingford, about 60 percent of its total. The result is that Accu-Graphics is having its best year ever and expects to earn a good profit.

Co-op member Jim Livingston notes that apart from a more enjoyable working environment, the co-operative aspect of the business has not yet translated into tangible benefits.

Accu-Graphics has not received any special support from other co-operatives or credit unions and no reciprocal working relationship exists among Manitoba co-operatives or worker co-operatives.



PRT Manufacturing

PRT, the first co-op established under the Manitoba program, has also gone through its ups and downs. It got started making electrical-wiring harnesses for Bristol Aerospace, although the co-op's primary market was the farm-machinery industry. PRT's strategy was to replace the imported harnesses being purchased at a higher cost from the United States.

Shortly after PRT started its operation in 1985, the bottom fell out of the farm-machinery industry. As a result, PRT was forced to build up a more diversified set of clients among small manufacturers in Winnipeg. Several times the co-op has been close to folding but has hung on with the assistance loans and loan



Leonard Heppner, Secretary
(Color stripper)

guarantees from the Department of Co-operative Development.

More recently, business has improved. Currently, the co-op employs eight workers, four of whom are members. It has 25 clients for its products and is working on contracts valued at \$3,000,000. Ted Powell, president of the co-operative, states: "We have built our reputation serving small manufacturers but we are now targeting large companies and have acquired some test orders from large farm and bus equipment manufacturers in Saskatchewan and Alberta."

Jeremy Hull is a consultant with WMC, 200-651 Croydon Avenue, Winnipeg, Manitoba R3M 0W3; (204) 453-6137.

Ontario

Toronto resource group goes international

Ethan Phillips

Recent months have seen a considerable increase in Co-operative Work's involvement in overseas activities.

In April, two visitors from Nicaragua met with Co-operative Work personnel. The visitors, one from Nicaragua's Department of Education and the other from the teacher's union, were in Toronto on one leg of their cross-Canada tour.

Co-operative Work has also been active in organizing a two-week training session as part of

the National Training Institute's program for economic-development workers in the Caribbean. Milton Lawrence, an economic development officer in the Dominica, spent one week looking at Toronto-area worker co-ops and talking with Co-op Work staff.

Finally, Co-op Work has been hired by the Canadian Co-operative Association's international unit to evaluate the progress of co-operatives in Costa Rica and Columbia. Marty Donkervoort was in Costa Rica the last two weeks in May while Bob Allen will be in Columbia in June.

Plant closure manual

The Worker Ownership Development Foundation has published its plant closure manual. The manual looks at the early-warning signals of plant

closures and at fight-back strategies. WODF has also completed a directory of all the worker co-operatives in Canada.

Discussions continue with the Ontario provincial government regarding amendments to the Co-operative Corporations Act and a financial assistance program for worker co-ops. The Foundation's efforts received a boost with the release of the Premier's Council report which recommended that the province introduce a "Worker ownership initiative".

Finally, the Foundation has received a \$2,000 grant from Oxfam Canada to produce a 25 minute introductory video on worker co-operatives. Staff person Louise Matchett is co-ordinating the project.

For more information, write to the Worker Ownership Development Foundation, 348 Danforth Ave., Suite 212, Toronto, Ontario M4K 1N8; (416) 461-6992.



Co-operative Work: L to R, Bob Allen, Marty Donkervoort Ethan Phillips, Wally Brant

Student co-ops

There are 36 odd-job co-operatives, with student members, operating in Ontario this summer. This program, which is organized by the Ministry of Skills Development, is designed primarily to provide student employment.

More information is available from Penny Lawlor, Youth Employment Services Branch, Ministry of Skills Development, 2nd Floor, 700 Bay St., Toronto, Ontario M5G 1Z6; (416) 965-5722.

Quebec

Feds cough up \$1.6 million for Quebec development groups

Claude Carbonneau

Monique Vézina, Minister of State for Employment and Immigration, has announced that the board of the Conseil Québécois des CDR (coopératives de développement régional) de Montréal (Québec) has been awarded \$1,614,550 to carry out an Innovations project under the Canadian Jobs Strategy.

The two-year "testing of Worker Co-operatives" project will develop and test models for creating worker co-operatives in particular economic sectors or regions. The project is expected to create 400 jobs.

"Worker co-operatives are a key factor in our economic and regional development," Mme.



The Honorable Monique Vézina, Minister of State for Employment and Immigration

Vézina said. "This innovative idea of the Conseil Québécois des CDR will help increase the viability of worker co-operatives."

The project has two parts: one will develop worker co-operative models both for Québec and for transfer to other parts of the country, the other will improve methods for worker management.

"The expertise that this program develops will lessen the isolation of co-operatives in Québec and eventually in Canada. This will increase the credibility of this kind of business and facilitate, for example, access to financial services," Mme. Vézina said.

Six regions will be involved in the project: Saguenay/Lac-St-Jean, Lanaudière, the Outaouais,

the Eastern Townships, Québec and Greater Montréal.

The co-operative system of work organization was first successful in Québec's forest industry. In recent years, it has been used more and more in the service sector.

In 1985-1986, at the peak of government funding, 102 new worker co-operatives were set up in Québec, assuring the maintenance or creation of 1,200 jobs.

The funding that Employment and Immigration is providing amounts to almost 75 per cent of the total cost of the project.

For information contact Michel Pépin, Office of the Minister; (613)955-0580, or Claude Carbonneau, S.D.C., 430 Chemin Ste Foy, Québec City, Québec G1S 2S5; (418)687-9221.

Québec's regional development groups for worker co-ops

Coopérative de développement de l'Estrie, 37, rue Brooks, Sherbrooke, Québec J1H 4X7
Tél: (819) 566-0234

Coopérative de développement de Lanaudière, 643, rue Notre-Dame, Joliette, Québec J1H 4X7
Tél: (514) 759-8488

Coopérative de développement régional de Montréal-Laval, 3514 avenue Lacombe, Montréal, Québec H3T 1M1
Tél: (514) 340-6060

in the Soviet economy

Conseil des coopératives de l'Outaouais, 100 rue Edmonton, Bureau 265, Hull, Québec J8Y 6N2
Tél: (819) 777-4003

Coopérative de développement régional de Québec, 230 Marie de l'Incarnation, Québec, Québec G1N 3G4
Tél: (418) 687-1354

Coopérative de développement régional du Saguenay/Lac St. Jean, 545 rue Sacré-Coeur ouest, Alma, Québec G8B 1M4
Tél: (418) 662-4045

Forestry co-ops ring up \$180 million in sales

Claude Carbonneau

Quebec's forestry co-operatives continue their impressive development. As of 1986, there were 47 forestry co-ops in Quebec with 3,986 members and 1,523 additional non-member employees. Sales reached \$180 million and assets exceeded \$85 million. These figures include subsidiary saw mills owned by the co-ops.

Equally impressive is the infrastructure that has evolved. The Assembly of Forestry Co-operatives of Quebec (CCFQ), a second-tier co-op to which 32 of the co-ops belong, has hired Jacques Gauvin as its director general.



Jacques Gauvin, directeur général Conférence des Coopératives Forestières du Québec

Gauvin is a forestry engineer who also holds an M.A. in administration.

In addition, the 13 forestry co-ops of Abitibi-Temiscamingue are setting up a regional federation. This organization is modelled after the federation in Saguenay/Lac-St.-Jean.

For more information see "Portrait of Forestry Co-operatives in Quebec, 1984-1986" by Michel Clément, 785 rue Salaberry, Québec, P.Q. G1R 2T8; (418) 643-2427.

(Translated by Rosemary Oliver).

Quebec co-op operates in the fast lane

Claude Carbonneau

A major labour federation in Quebec, the CSN (Confédération des syndicats nationaux), has organized an ambulance-workers co-operative on the south shore of Montreal. The Monteregie co-

op, consisting of 24 full-time workers and 20 part-timers, was created from the acquisition of four small ambulance companies. The co-op holds permits for an area with more than 350,000 residents.

The CSN is the first Canadian labour organization to take an active role in organizing worker co-operatives. It has a groupe-conseil (resource group) for this work.

The ambulance co-op was assisted by a \$638,500 grant from the Société de développement des coopératives (SDC). During the last fiscal year 90 per cent of the SDC's financial aid went to worker co-operatives.

Claude Carbonneau is an information officer at the SDC, 430 Chemin Ste Foy, Québec City, Québec G1S 2J5; (418) 687-9221.

Les coopératives forestières au Québec

Un portrait complet de la situation

En 1986, on comptait 47 coopératives forestières au Québec. Elles regroupaient 3,968 membres et donnaient de l'emploi à 5,491 personnes. Pour la même année, elles avaient réalisé des ventes atteignant 180,000,000\$ et détenaient des actifs de 85,500,000\$.

Ces données sont tirés de "Portrait des coopératives forestières au Québec, 1984-1986". Ce document, préparé par Michel Clément, un économiste à l'emploi de la Direction de la forêt privée et des coopératives

forestières du Ministère de l'énergie et des ressources du Québec est actuellement ce qui existe de plus complet sur le sujet.

Au delà de la simple description, M. Clément s'est employé à tracer le portrait financier des coopératives et de leurs filiales. Il a également présenté l'impact des coopératives forestières dans l'économie. Cette recherche nous fait donc découvrir que les coopératives forestières du Québec sont des entreprises très performantes par rapport à leur secteur d'activité.

On peut obtenir de plus amples informations sur cette recherche en contactant M. Michel Clément au 785, rue Salaberry, Québec, G1R 2T8 (418) 643-2427.

Coopératives forestières:

La conférence franchie une étape importante

La Conférence des coopératives forestières du Québec qui regroupe 32 coopératives vient de franchir une étape importante de son histoire. Elle vient en effet d'embaucher son premier employé permanent.

Jusqu'à maintenant, le Secrétariat de la Conférence était assumé par M. Fernand Emond qui partageait son temps entre la Conférence et la Fédération régionale des coopératives forestières du Saguenay Lac-St-Jean. La croissance de ces deux organismes a fait en sorte que M.

Emond ne pouvait plus suffire à la tâche.

La Conférence et la Fédération auront désormais chacune une personne à temps plein pour voir à la bonne marche de leurs affaires. M. Jacques Gauvin vient d'être engagé comme directeur général de la CCFQ. M. Gauvin est ingénieur forestier et il détient une maîtrise en administration. Le siège social de la Conférence sera par ailleurs situé à Québec.

Abitibi-Témiscamingue

Une Fédération pour les coopératives forestières

Les coopératives forestières de l'Abitibi-Témiscamingue sont actuellement à mettre sur pied une fédération régionale. Cette région regroupe 13 coopératives en opération, certaines d'entre elles comptant parmi les plus grosses du Québec.

Le processus est maintenant amorcé et les coopératives en sont à l'étape de la présentation du projet à leurs assemblées générales respectives. On s'attend à ce que la majorité des coopératives adhèrent à la fédération de sa création.

La concrétisation de ce projet ne devrait cependant pas avoir lieu avant l'automne 1988. L'été étant la période la plus active pour ce type de coopérative, ce n'est donc pas une période très favorable à la poursuite de la démarche visant la création d'une fédération.

La SDC et les coopératives de travailleurs

Au cours de la dernière année financière, la SDC a reçu 124 demandes d'aide financière. Près de la moitié provenait des coopératives de travailleurs. Quant aux aides autorisées, 74,2% est allé à ce type de coopérative. Cela a représenté 90% des sommes impliquées. A elles seules, les coopératives forestières ont reçu 58,2% des aides financières de la SDC.

Une coopérative de techniciens-ambulanciers

Des techniciens-ambulanciers de la Montérégie (Rive-Sud de Montréal) se sont regroupés en coopérative et ils ont fait l'acquisition de 4 petites compagnies de service ambulancier. La coopérative regroupe les 24 employés permanents de la nouvelle entreprise. Elle emploie également une vingtaine de travailleurs à temps partiel.

Cette coopérative constitue une première expérience dans ce secteur d'activité. En plus des véhicules nécessaires à ses opérations, elle détient les permis qui lui permettent de desservir un territoire comptant plus de 350,000 habitants. Pour concrétiser son projet, elle a obtenu l'appui du groupe conseil de la Confédération des syndicats nationaux (CSN). La SDC a également autorisé une aide financière de 638,500\$.

Nova Scotia

Maureen Coady

"Unprecedented growth" for Nova Scotia worker co-ops

Nineteen worker co-ops were incorporated in Nova Scotia in 1987-88 bringing the total to 39. According to Fred Pierce, the provincial Inspector of Co-operatives, this growth is "unprecedented."

The province's worker co-ops are small and primarily rural. The total membership is 300 and sales now exceed \$5 million.

Eleven of the co-ops are in primary sectors of the economy (e.g., vegetable and plant production; harvesting Christmas trees; fish, lamb and chicken farming; land and forest management).

Several others sell crafts and artwork. Then there are many which provide various services including rural theatre, research and teaching, carpentry, construction, landscaping and healthcare for the elderly. There's also an alternative bookstore, a used clothing store and an Acadian restaurant.

Worker co-ops formed as summer businesses are now eligible for funding under the provincial Youth Entrepreneurial Skills Program. So far five have been started in such services as lobster exporting, home maintenance and repair, landscaping and computer programming.



Fred Pierce, Inspector of Co-operatives

Much of the support for developing Nova Scotia worker co-ops comes from the community Development Co-operative and the St. Francis of Xavier Extension Department.

For more information contact Maureen Coady, Innovations Project, St. Francis of Xavier Extension, Antigonish, Nova Scotia B2G 1C0; (902) 867-2348 or Fred Pierce, Inspector of Co-operatives, Box 9, Truro, Nova Scotia B2N 5B6; (902) 893-1595.

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Worker owned co-operative.

UIC officials and Nova Scotia worker co-ops have a heart-to-heart

Donna Huffman

Unacceptable delays in receiving unemployment insurance cheques and inconsistent rulings about eligibility were the problems that were raised when eight Nova Scotia worker co-ops met with Revenue Canada officials in March. This workshop was sponsored by the Community Development Co-operative of Nova Scotia.

In response to questions, Regional Officer for Revenue Canada, Bob Manuel, explained that to be eligible, a claimant must be available for work outside the co-operative at reasonable hours and wages and must not be self-employed.

Worker co-op members who have either invested capital in their co-op or who work significant hours (with or without pay) are likely to be considered "self-employed."

The government representatives also explained that there is an appeal process for worker co-ops unhappy with a ruling. A worker co-op representative, who had been through this process, recommended representation by a lawyer for any co-op considering an appeal.

Some worker co-operatives felt their problems with local CEIC offices stemmed from unfamiliarity with worker co-ops as a business model. For example, they felt that the terms "employer" and "employee" used



Revenue Canada ruling officers, Joe Gillie and Doug Hamilton (centre) and CEIC Regional Insurance Services Officer, Bob Manuel (right) outline unemployment insurance eligibility criteria to worker co-operatives at a workshop sponsored by the Community Development Co-operative of Nova Scotia.

by CEIC and Revenue Canada in reviewing claims had no relevance to worker co-ops. Manuel invited representatives from worker co-ops to make a presentation to his department to clarify some of these issues and to explain how worker co-operatives operate.

Nova Scotia worker co-operatives with questions about the Unemployment Insurance program should call the Revenue Canada Rulings Divisions at 1-800-426-3296 (toll-free) or their local CEIC office.

LEMAIRE AWARDS

Awards of \$3,000 and \$1,000 are available for co-operative-education studies through York University, the University of Saskatchewan, Laurentian University and the Université de Sherbrooke.

For further information, contact Myrna Barclay, Director of Education, Canadian Co-operative Association, 510-119 Fourth Ave. South, Saskatoon, Saskatchewan S7K 5X2; (306)244-3600.

R.I.P.

Guysco Bakery

Veronica Gillies

After a long struggle, Nova Scotia's only worker co-operative bakery went into liquidation in March. Established as a worker co-op in 1975, Guysco specialized in items such as cinnamon buns, home-style bread and yeast rolls, earning Guysco a reputation for high quality.

Although all factors leading to Guysco's demise have yet to be determined, two damaging factors identified were the distance to market and in more recent years, competition from large supermarket bakeries.



Laurens Nash, former manager of the Guysborough Country Resources Enterprise Co-op Ltd.

Innovations slide show

Veronica Gillies

Worker co-operatives as an economic alternative is the topic of a recently produced slide-show by St. Francis of Xavier Innovations Project aimed at educating people on how worker co-operatives differ from other businesses. The slide-show explains the principles of worker co-ops and their advantages and disadvantages.

Video tapes of the show will soon be available.

Contact **Beverly Renny**, Innovations Project, Extension Dept., St. Francis Xavier University, Antigonish, N.S. B2G 1C0; (902) 867-5165.



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Women's worker co-op

Veronica Gillies

Four New Glasgow women are taking advantage of a federal employment initiative for social assistance recipients to learn how to form worker co-operatives.

A Job Development section of CEIC's Canadian Job Strategy program is enabling the women to attain skills in bookkeeping, market strategies, and forming and operating a co-op. At the end of the six-month Women Worker Co-op project, each of the four women hope to form her own co-op. Not only will this mean the potential creation of 20 jobs, but also an addition of new services to the community.

For more information contact **John Ure**, St. Frances Xavier University Extension Department, New Glasgow, N.S. (902) 755-4550.

Home-care worker co-op at New Dawn

Scott MacAulay

One of Canada's oldest and most successful community development corporations is taking an active interest in worker co-op development.

New Dawn Enterprises Limited, located in Sydney, Nova Scotia, is sponsoring a six-month Job Re-entry training program for women interested in providing home-care services for the elderly. Three years of market surveys have demonstrated a strong need for such services in Sydney. Should the women decide to establish a worker co-op, New Dawn will consider providing financial and management assistance.

For more information contact Scott MacAulay, manager of the Community Development Co-operative of Nova Scotia, (902) 539-4600.

P.E.I.

The phoenix rises from UMF's ashes

Frank Driscoll

A multi-stakeholder co-operative was formed when the United Maritime Fishermen's Co-op went into bankruptcy on May 4, 1988.

North Lake Fishermen's Co-op Ltd., which includes fish catchers and plant workers, has

leased the former UMF plant and negotiations are still underway for the final purchase.

The plant, which is capable of producing a variety of high quality frozen-fish products, is running on two shifts. The co-op's board of directors is unique to P.E.I. in that it consists of four fish catchers, one plant

worker, one chartered accountant and a local credit-union manager.

The North Lake Co-op may be the start of a new trend to multi-stakeholder co-ops in P.E.I.

For more information, contact Frank Driscoll, Ministry of Industry, Government of Prince Edward Island, Box 2000, Charlottetown, P.E.I. CIA 7N8; (902) 368-4240.



(L-R) Theresa Baker (plant worker); Donnie MacDonald (fisherman); Peter Crocker* (plant manager); Weston (Smokey) Coffin; Wayne Kane (Credit Union Manager); (Seated L-R) Hugh McPhee (fisherman); Gerard Fitzpatrick (chartered accountant); Walter Bruce (fisherman)
* not a board member.

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UNITED CO-OPERATIVES OF ONTARIO

"Anne of the Island" on the move

Amand Arsenault

Les P'tits Acadiens, a small Evangeline-region (Prince Edward Island) worker co-op, has bounced back from a first-year deficit and temporary closing of its operation to land some hefty contracts. The manager, Colette Arsenault, reports that the co-op is busy producing 3,500 sweatshirts for the University of P.E.I., the Acadian Pioneer Village, the "Maisons de Bouteilles", the potato chip co-operative, and the group "Panou". Larger orders are anticipated in the future. The co-operative also has a contract with Acadian Pioneer Village to design and manufacture outfits for its waitresses.

Les P'tits Acadiens recently employed an agent to evaluate the market in the Atlantic Provinces. The co-op is considering a number of projects including the production of children's outfits that are similar to those of Ann of Green Gables. The co-op is attempting to obtain the right to use the slogan "Anne of the Island".

Collette Arsenault admits that the enterprise went through growing pains during its first year of operation due to a lack of experience in management, marketing and production. But production has doubled since the co-op started and the second year looks promising. The ultimate aim is not to have a big business but to have a successful

enterprise capable of furnishing employment to its members.

Amand Arsenault is chairman of the Conseil Co-op, the umbrella organization for co-operatives in the Acadian region of Prince Edward Island. He can be contacted at the Evangeline Credit Union, 37 Mill Rd., Wellington P.E.I. COB 2E0; (902) 854-2595. ■



Les P'tits Acadiens, Prince Edward Island

QUALITY PRODUCTS FOR YOUR HOME AND FARM
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Ron Grant: making it on his own terms

by
Donna Huffman

Spring rains have temporarily forced his silviculture co-op to slow down operations, but Ron Grant has not been idle. The day I talked to him, he had spent the morning putting together a government funding proposal to bring new harvesting technology into the province. The previous week, he had donated some time to his local community helping it create a park. He spends a great deal of time promoting his co-op, proudly distributing business cards and pamphlets, and putting green and white "Future Forestry" hats on a few well-placed heads.

Ron Grant is woodlands manager of Future Forestry Services Co-op Ltd, a recently formed worker co-op in New Glasgow, Nova Scotia.

He first worked in the woods in 1975 for Scott Paper. In 1976, however, Scott decided to turn all of its harvesting over to private contractors.

In response, Ron formed his own contracting business. The work was good, but it was difficult for him to find workers with proper training. He closed the business within the year.

After working in forestry in British Columbia, and in an upholstery business in Nova Scotia, he became interested in forming a worker co-op. He wanted to try working again in



Ron Grant of Future Forestry Services Co-op Ltd.
New Glasgow, Nova Scotia

the woods, but this time on his own terms. "Working in the woods is an exploited field," he explains. He wanted to fight the image that forestry was full of men with "a strong back and a weak mind."

It took him three years to find other people with the right combination of experience and leadership for membership in a worker co-operative. Early in 1987, he and four others, who together represented over 50 years experience in the woods, formed the Future Forestry Services Co-op Ltd.

Improving Conditions

The main goal of this co-op was to improve working conditions and to reduce the exploitation of forestry workers. For example, most forestry workers must pay for their own equipment -- safety boots, chainsaw blades, oil and gas, etc. -- out of their own pockets. Ron did not feel that this was right, particularly when he saw workers out in the woods with plastic bags over their boots to keep their feet dry because they could not afford a new pair of boots. The co-op provides equipment for its workers. Other conditions they are hoping to improve are health insurance for members and better employment stability.

Members contributed the equipment they owned, valued at about \$1500 each, to the new co-op. For the first six months of operation, members were without paycheques as they worked to

receive status as a provincially-approved silviculture contractor.

Management of the co-op is shared equally by all members. Each member has responsibility for a particular area of the business decisions. One makes arrangements with landowners, another is responsible for keeping the books and making up financial statements, another is responsible for equipment. All decisions are made by consensus; nobody makes any important decisions by him or herself.

Co-op Background

Not all the members of the co-op are as interested as Ron in the co-operative aspects of the business. He is always emphasizing the importance of democracy, and the potential of the co-op movement. He grew up in a housing co-op, where he learned what people could do if they got together. He thinks that making decisions by consensus will make the co-op more stable because mistakes are less likely.

He also thinks it is important to put something back into the community. That is why he convinced the other members of the co-op to volunteer their time to help develop a park for a local community association. By spending a few days thinning out brush and trees, the community will have a picnic and outdoor recreation area. The sale of the wood cleaned from the area will help the community association hire a bulldozer to clear a ball field.

Last fall Ron was elected to the Board of Directors of the Community Development Co-operative of Nova Scotia (CDC), an organization trying to assist worker co-operative development in the area. He says the CDC has an important role to play in developing co-operative and democratic decision-making skills, and in offering moral and professional support to groups looking to form new worker co-ops.

His fellow board members include executives in the established co-op sector -- representatives of Co-op Atlantic, the Co-operators Insurance, and Credit Union Central of Nova Scotia. His role on the CDC board has been to make sure that it does not forget who it is trying to serve.

Over the first year of its operation, Future Forestry Services has faced many obstacles. It first had to get its provincial silviculture certification. It is now wrestling with the development of a new membership policy and deciding how fast it should grow. But judging from the way it overcame previous challenges, the co-op seems well placed to face these new ones.

For more information contact Ron Grant, Future Forestry Services Co-op, P.O. Box 34, R.R.4, New Glasgow, Nova Scotia B2H 5C7. (902) 922-3434.

Donna Huffman is research director of the Innovations Project, St. Francis of Xavier University Extension Dept., Antigonish, Nova Scotia B2G 1C0; (902) 867-5165.



To Zimbabwe with love from Saskatchewan

by

Don Mitchell
Adriane Pavo

Churchill Park Greenhouse, a Moose Jaw worker co-op established in 1974 as a job-creation project for disabled and disadvantaged people, is participating with other producer co-operatives in Saskatchewan in an agreement designed to assist the collective co-operatives of Zimbabwe. Specializing in vegetables and bedding-out plants for gardens, Churchill Park has 10 full-time members and annual sales of \$175,000. Over the years it has taken a lead in hosting co-operators from Third World countries, including Zimbabwe.

In the following article, Don Mitchell, manager of Churchill Park, and Adriane Pavo, editor of Briarpatch magazine, describe the Saskatchewan-Zimbabwe agreement.

Saskatchewan co-operatives are increasing their links with the co-operative movement in Zimbabwe. Since 1985, there has been an exchange of visits between delegations from the Organization of Collective Co-operatives of Zimbabwe (OCCZIM) and the Saskatchewan Federation of Production Co-ops (SFPC). Originally formed by ex-combatants in Zimbabwe's war of liberation, the collective co-ops have expanded to 25,000 members. They have made inroads into agriculture, printing, sewing, fishing, retailing and weaving.

The visits between OCCZIM and SFPC have led to a formal agreement (signed in November, 1987) to supply tractors and other equipment to designated agricultural co-ops in Zimbabwe.

SFPC president Walter Nisbet said, "we visited all five proposed areas where the project will be and met people who will be on the receiving end."

The SFPC, which represents approximately 60 agricultural co-ops in the province, including Churchill Park, plans to approach the Canadian International Development Agency and the Canadian Co-operative Association for project funding.

Representatives of Briarpatch magazine met with members of Memorial Printers' Co-op in Harare to discuss training and material needs. As a result, designer Denise Hildebrand will be returning to Zimbabwe later in 1988 to work with the co-op, training members in camera work, plate making, and film composition. Hildebrand said,



Don Mitchell, member of Churchill Park Greenhouse Co-op.

photo: Don Kosick



photo: Don Koesick

Comrade Mathias Mavwire at Churchill Park Greenhouse Co-op.

"we will be investigating the possibility of scholarships for ANC members to come to Saskatchewan to study the arts and journalism."

Parallel struggles

As one of the participants in the exchange, Churchill Park Co-op hosted an OCCZIM delegation during the summer of 1987. Members of Churchill Park and OCCZIM were quick to recognize parallels in their respective struggles for survival. These include lack of capital, lukewarm government support and competition with larger corporations.

Another similarity between OCCZIM co-ops and Churchill Park is the plight of the membership. Canadian society has marginalized thousands of its workers because of mental and physical handicaps. These people lack formal education and job experience due to discrimination in the labour force. They are either unemployed or under-employed.



photo: Don Koesick

Comrade Johannes Chitewo of OCCZIM at the Churchill Park Greenhouse Co-op.

Our system, it seems, has a more subtle form of apartheid than is currently characteristic of South Africa and which characterized Zimbabwe (formerly Rhodesia) prior to independence. The consequences, however, are similar. The co-operative projects which seek to overcome these barriers to security and employment are similar in Canada and Zimbabwe. The difference, perhaps, is that the Zimbabwean collective co-ops are more numerous than their counterparts in Canada and they have a stronger central organization.

For more information contact either Don Mitchell, Churchill Greenhouse Co-op, 1105 Main Street South, Moose Jaw, Saskatchewan S6J 6S5; (306) 693-1644; or Adriane Pavo, Huston House, 2138 McIntyre Street, Regina, Saskatchewan S4P 2R7; (306) 525-2949. ■

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Workers' Co-operatives: A People Centered Approach to Regional Development

by J.T. Webb

Institut Canadien de Recherche Sur le Développement Régional, Université de Moncton, 1987.



J.T. Webb

Reviewed by Donna Huffman

Workers' Co-operatives: A People Centered Approach to Regional Development provides a case for the use of worker co-operatives in the development of the Maritime provinces. Its author, Tom Webb, examines the arguments for worker co-operatives, the success and diversity of worker co-operatives internationally, and the factors which would lend support to a widespread movement here. It is a comprehensive document, providing a discussion of many of the issues facing worker co-operatives in Canada and their possible roles in assisting development of church groups, organized labour, the established co-op sector and government.

Optimistic view

Webb sees worker co-op development as the answer to a number of economic ailments facing the Maritime provinces. Among these are high unemployment rates, businesses which move around the region without concern for the local workforce, government programs that emphasize economic development

rather than socio-economic development, and communities and provinces which compete with each other for jobs. Worker co-ops, he argues, avoid many of these problems because they are locally owned and controlled, and therefore more sensitive to the needs of the community rather than outside investors.

To show that worker co-operatives are viable enterprises, Webb relies on experience in non-English-speaking countries. Most of the interesting information comes from a tour he made of France, England and Spain. To the reader who is unfamiliar with developments in these countries, this section is a good introduction to the strength of worker co-operatives internationally.

The most detailed analysis, as in many other reviews of this type, has been devoted to the Mondragon system. In terms of its diversity, dedication to co-operation and sophistication, the Mondragon system is the most impressive of all of the systems reviewed. Webb provides a detailed description of the many innovations of Mondragon, which include the use of capital

accounts, the Caja Laboral Popular, the contract of association between the Caja and the member co-operatives, the role of the Caja as outside monitor for the co-ops, and the emphasis on education within the system.

Mondragon replicable

Webb concludes that the innovations of the Mondragon system, not the Basque culture, unique leadership, or economic circumstances, are the reasons for its success. There is no inherent reason, he says, to believe that such success is not possible here.

As a supporter of worker co-operative development in Canada, I hope he is right. But other groups in Europe have tried importing the Mondragon model, without the same degree of success. We can gain valuable insights from Mondragon's innovations, but we cannot ensure success in Canada by copying it.

Webb argues that worker co-operatives have many advantages: they reduce labour-management conflict in the same way that housing co-operatives reduce tenant-landlord conflict; they improve productivity; they create more jobs than standard businesses and are more stable than traditional businesses; they are concerned with social costs that traditional businesses ignore; and they reduce inflation because workers will not demand unrealistically high wage increases from their employers.

While these advantages are theoretically possible, Webb presents little evidence that they are realizable. The only evidence

is based on European experience, particularly Mondragon. It will be difficult to prove that these advantages are valid in Canada until we develop a broad base of Canadian experience with worker co-operatives, particularly in manufacturing industries where labour/management conflict, unrealistically high wage increases, and plant closures are major concerns.

The Canadian context

Webb discusses the various players who have the potential to assist in the development of worker co-ops. These players include church groups, organized labour, government officials regulating co-ops, and the established co-op sector. The conclusion is that although the worker co-op movement is relatively weak in Canada, the groups which could provide the basis for its development are strong enough to have a great influence. There is a good description of the constraints and potential role of each group. However, the report lacks a description of who must take the leading role in development, or how the support of all these groups should be affected. It is one thing, for example, to say that there should be a contribution of \$15,000 per year from church organizations, and quite another to actually raise funds when so many other worthy causes exist. It is often difficult to translate a potential source of support into action.

Overall, Webb's report is clear and readable and has many useful

insights into the problems which face worker co-ops and their potential solutions. It should be required reading by those involved in all organizations mentioned as possible supporters of worker co-ops. Unfortunately, due to its length (almost 200 pages), it is not likely to cross the desks of enough people who could be helpful. ■

Donna Huffman is research director of the Innovations Project, St. Francis Xavier Extension Dept., Antigonish, Nova Scotia B2G 1C0; (902) 867-5165.

BEYOND THE MARKET AND THE STATE

edited by

Severyn Bruyn
James Meehan

Beyond the Market and the State, edited by Severyn T. Bruyn and James Meehan, Temple University Press, 1987, 257 pages.

Reviewed by Ethan Phillips

Beyond the Market and the State is a valuable new collection of essays edited by two professors in Boston College's Social Economy program. Although somewhat lacking in theoretical rigour (despite claiming to go beyond the state, most of the contributors quite correctly call for an increased government role in the promotion of community-based economic

development), the volume is chock-full of useful examples of locally-based economic initiatives in the areas of investment, enterprise development and ownership of land.

The volume is divided into three parts: two introductory essays providing both an overview and context for the latter contributions; a second section examining new forms of community-based enterprise (worker and consumer co-ops, community-finance institutions, community-land trusts and community-development corporations); and lastly, five articles dealing with strategic and development considerations.

Many concrete examples

The book is at its strongest when dealing with concrete examples of emerging forms of community initiative. In particular, Charles Turner's piece on worker co-operatives and Michael Swack's article on community financial institutions are excellent. Both articles provide an informative nuts-and-bolts look at the modest contribution these movements are making to American economic life, while at the same time providing reasonable suggestions for encouraging future growth. One really learns something from reading these two articles.

Unfortunately, the five articles dealing with strategic and policy matters are quite uneven. While Karl Seidman's piece on new state and municipal initiatives and Richard Scramm's contribution on associations and

linkages are quite good (basically because the articles are designed to be descriptive rather than analytical). William Torbert's article on the need for MBA programs in economic democracy and Mel King's and Samantha George's piece on "the future of community" are much less successful. Torbert's article would have been much better had he looked at the broader educational needs of ordinary workers in community-based economic initiatives and not just at the needs of the few managerial types who can benefit from a graduate business education. King's and George's piece is far too ambitious (the full title of the 12-page piece is "The Future of Community: From Local to Global"), and at times downright flaky. James Meehan's piece on local self-reliance has a number of excellent ideas gleaned from the European experience, but again tries to do too much. The section on "ecological loops", in particular, is confused and would have benefited from a straightforward discussion of co-operation among community-based economic initiatives.

As might be expected from an American publication on community economic development, the role that the labour movement might play is barely mentioned. Also disappointing, given that this is an election year in the U.S., is the absence of any discussion of the prospects for the inclusion of CED ideas in Democratic or Republican platforms.

In summary, the book in many ways mirrors American society as a whole. It is at its best when looking in a concrete way at examples of small-scale community innovation. After all, the American tradition of voluntarism and grass-roots democracy lends itself to considerable ingenuity in these matters.

It should not be surprising that an American book fails to offer Canadians any useful recommendations related to a political strategy that might result in larger-scale economic and social change. For guidance in such matters, we will simply have to look elsewhere or do it ourselves.

Ethan Phillips is director of the Worker Ownership Development Foundation, 212-348 Danforth Ave., Toronto, Ontario M4K 1N8; (416) 461-6992.



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Passe-Montagne Markets the Canadian North

by
Johanne Bérard
and Luc Labelle



A long love affair between the far north, the outdoors and adventure sums up the rationale behind Passe-Montagne, an outdoors co-operative based in the heart of Montreal.

In 1981, three friends pooled their expertise in mountain climbing and formed a small company to offer courses on the subject. A short time later, they added a second activity, the rental of outdoor equipment and then a third, adventure trips to the far north. Paul Laperrière, who had taken part in several expeditions, widely covered in the media, was originally the sole owner. However, to handle the increasing growth in Passe-Montagne's activities, he decided to form a worker co-operative.

His choice was also influenced by the worker co-op's democratic approach and business support from advisory groups. The conversion to a worker co-operative took place in 1985.

Today, Passe-Montagne has three members (Paul Laperrière and Dominique Forget were founding members) and about 15 guides and instructors who work on a contract basis. The co-op has rapidly acquired a reputation for excellence, as its share of the Montreal market indicates -- 80 per cent of the climbing course and 60 per cent of the equipment rentals. It is one of the most dynamic small businesses in its sector. In the fiscal year 1986-87

the co-operative succeeded in increasing its business by nearly 40 per cent.

Europe opens up

Agencies in the U.S. and Europe (especially those in France and Belgium) distribute information on Passe-Montagne's Great Adventure trips. Recent contracts with overseas companies have been very encouraging. (In Europe companies organize leisure activities for their employees.) In addition, the Quebec Ministry of Tourism has listed Passe-Montagne in its official promotional brochure for foreign markets. By offering their expertise in the Canadian far north, the members of the

co-operative have succeeded in opening up access to a region where mass-market tours rarely venture.

Passe-Montagne: A renowned school

Although the trips, which already make up about 30 per cent of the business, are likely to become more significant, they still remain a seasonal activity. The business makes almost half of its income from training courses offered throughout the year: outdoor daytrips for schools, experienced guide service for different sports (canoeing, cycling, etc.). Equipment rentals often provide the customers' first contact with the co-operative; they frequently return, this time tempted by a trip or a course.

By focusing from the beginning on a climbing/far north combination, which is its strength and uniqueness, Passe-Montagne has rapidly enlarged its territory. As an expanding co-operative, it owes its success to solid technical competence, dynamic promotional activities and the concern for good management by its member-owners.

For more information, contact Paul Laperrière or Dominique Forget, Passe-Montagne, 5209 rue St. Denis, Montreal, Québec H2J 2M1; (514) 276-1643.

Johanne Bérard has been a project officer at the Centre de gestion des coopératives, 3535 Ch. de la Reine-marie, #508,

Montreal, Québec H3V 1H8; (514) 340-6020.

Passe-Montagne, coopérative de plein-air

par Johanne Bérard, avec la collaboration de Luc Labelle

Une longue histoire d'amour entre le Grand Nord, la nature, l'aventure et Passe-Montagne: ces quelques mots expriment toute la raison d'être de Passe-Montagne, coopérative de plein-air dont le siège social est situé au coeur de Montréal.

En 1981, trois amis s'associent pour partager leur expertise en escalade et offrir des stages dans cette discipline. Ils forment une petite compagnie qui opère de façon plutôt occasionnelle. Un peu plus tard, ils ajoutent une deuxième activité, la location d'équipements de plein-air, puis une troisième, les voyages d'aventure dans le Grand Nord. En 1983, Paul Laperrière, qui a participé à plusieurs expéditions largement couvertes dans les médias, demeure seul actionnaire. La formule coopérative de travail apparaît la plus indiquée en raison de ses particularités démocratiques et des possibilités existantes de soutien technique (groupes-conseils). la transformation s'effectue en 1985.

Passe-Montagne compte actuellement trois membres, dont les membres-fondateurs Paul Laperrière et Dominique Forget, et une quinzaine de guides et moniteurs qui travaillent à la pige. Passe-Montagne a rapidement acquis une réputation d'excellence, comme en font foi

des parts substantielles du marché montréalais, soit 80% pour les stages d'escalade et 60% pour la location d'équipements. Elle se classe parmi les petites entreprises les plus dynamiques de son secteur. Au cours de l'exercice financier 1986-87, la coopérative a réussi à augmenter son chiffre d'affaires de près de 40%. Enfin, Passe-Montagne fait régulièrement l'objet de reportages, articles, etc. dans les médias du Québec.

L'Europe s'ouvre au grand nord

Des agences européennes distribuent déjà les voyages Grandes Aventures de Passe-Montagne, particulièrement en France et en Belgique; des agences américaines font de même aux Etats-Unis. Par ailleurs des contacts récents auprès de comités d'entreprise outre-mer se sont révélés très encourageants (en Europe, les comités d'entreprise organisent certains loisirs pour les employés). Enfin le ministère du Tourisme du Québec a inscrit le nom de Passe-Montagne dans sa brochure de promotion officielle destinée à l'étranger.

En mettant leur expertise du Grand Nord canadien au service du voyageur, les membres de la coopérative ont réussi à rendre accessible et attrayante une région où les grossistes de voyages s'aventurent rarement. Ils deviennent ainsi des chefs de file dans un marché au potentiel prometteur.

Passe-Montagne: une école réputée

Si les voyages, qui constituent déjà environ 30% du chiffre d'affaires, sont appelés à prendre de l'importance, ils demeurent toutefois une activité saisonnière qu'il faut équilibrer par d'autres activités plus constantes. L'entreprise réalise ainsi près de la moitié de son chiffre d'affaires grâce à des cours et stages dispensés pendant toute l'année selon différentes formules: stages d'escalade hebdomadaires;

journées de plein-air dans le milieu scolaire; service de guides expérimentés pour différents sports (canot, vélo, etc.). La location d'équipements complète l'éventail des activités et constitue pour plusieurs un premier contact avec la coopérative; souvent ils reviendront, tentés cette fois par un voyage, ou par un cours.

En misant depuis le début sur une combinaison, escalade - Grand Nord, qui fait se force et la distingue, Passe-Montagne élargit donc rapidement son

champ d'action. Coopérative en pleine croissance, elle doit son succès à une solide compétence technique, au dynamisme de ses activités promotionnelles et au souci qu'ont les membres-propriétaires de se former à la gestion.

Luc Labelle is a project officer at the Groupe-Conseil des Coopératives de Travail de Montreal-Laval, 3514 Lacombe Ave., Montreal, Quebec H3T 1M1; (514) 340-6061. Translated by Julia Berry. ■

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OUR TIMES: unionized worker co-op continues to grow

by
Ethan Phillips

Our Times magazine and printing shop is a unionized worker co-op serving Toronto's social-change community. Originally begun in 1981 as a labour magazine, Our Times is now a leading printer of posters, pamphlets, flyers, booklets and other publications for many of Toronto's labour, women's, co-op and church groups.

Because of its close association with labour movement (The Labour Council of Metropolitan Toronto has been a prime backer from the beginning), the members of the co-op felt it was crucial to organize as a collective-bargaining unit. They therefore organized under the Toronto Typographical Union.

Now, almost seven years old, Our Times is growing quickly. In the past year, annual revenues have increased from approximately \$350,000 to \$500,000, and according to André Sorensen, a designer and printer with the co-op, the expectation is that business will continue to grow in the coming year.

Most of this growth has come from the printing end of the business. While the paid circulation of the magazine has increased marginally to just over

4,000, the printing of posters, flyers and the like has increased substantially.

Our Times now has 6 members, 1 employee and 3 probationary members. While plans for the coming year have not been finalized, there may be up to three more people hired.

With increased growth come increased financial needs. Our Times recently raised \$15,000 in preferred shares, and expects to raise another \$15,000 in the same way in the coming year.

According to Sorensen, the coming year will be a challenging one. In particular, member education will become

increasingly important as more and more new members are hired. Other goals for the coming year include the purchase of new equipment (essential if the co-op is to stay competitive) and an improvement in wages and benefits.

For more information, contact Our Times, 390 Dufferin St., Toronto, Ontario M6K 2A3; (416) 531-5762.

Ethan Phillips is director of the Worker Ownership Development Foundation, 348 Danforth Ave., Suite 212, Toronto, Ontario M4K 1N8; (416) 928-9568.



photo by: David Smiley

Our Times staff, from L to R, José Kaufman (typesetter), Rhonda Susman (typesetter), Lee Baillie (press room assistant), John Sabaliauskas (press operator), Derek Thomson (film stripper), Wojtek Pasternak (designer), André Sorensen (coordinator), Lorraine Endicott (accounts), Stuart Crombie (editor).

Worker co-ops mushrooming in the Soviet economy

20,000 worker co-ops estimated

by

Jack Quarter

Worker co-operatives in the Soviet Union have been given a boost by the approval of the "Draft Law on Co-operatives" by the Supreme Soviet.

Many of the provisions are intended to give the Soviet Union's co-operative sector greater freedom from State control. These include:

- the freedom to form co-ops, alliances and to participate in international alliances;

- control by the membership of all phases of the co-operative, e.g., planning production, setting prices, using assets, salaries, member dividends and social development;

- the right to compete with State enterprises;

- the right to compete internationally, to use foreign exchange for that purpose, and to form joint ventures with Eastern bloc and Western countries;

- the right to form co-operative banks (i.e., credit unions) which can buy and sell stocks, pay dividends, take loans from other Soviet banks, and support co-operative development;

- the freedom to establish training programs and institutes

for members, and also to send members abroad for training.

In addition to these rights, the Draft Law suggests the following ways that the Soviet state may assist co-operatives to develop:

- tax privileges;

- credit on easy terms and including credit in foreign exchange;

- free use of land, premises and plant facilities, assistance with machinery, techniques, production planning and advertising;

- information about market opportunities, access to government contracts and funds;

- assistance in creating a network of co-operative training institutes.

The Draft law has specific provisions for a variety of co-operative models, but special attention is given to "co-operatives in production and in services"; that is, worker co-operatives. These co-operatives are being encouraged to specialize "in making and marketing consumer goods." Incentives are given to co-operatives concerned with "research and technological



Family co-op to mend gothic roofs in Riga. Anatoly Pashkov and his sons Vitaly and Maxim in their workshop.



Co-op garage in Tallinn, with mechanic Vello Runtu.

services" and "co-operatives producing goods and providing services based on scientific discoveries and inventions."

To facilitate the formation of worker co-operatives, the Draft Law states that only three people are required to register a co-operative. The statute also endeavours to protect worker co-operatives "from being used for private enterprise involving hired labour."

It is estimated that there are 20,000 worker co-operatives in the Soviet Union, many of which have started in recent months because of encouragement from the government. The worker co-operatives include restaurants, cafés, taxi services, home and auto repairs, a few medical clinics, and recently the manufacture of clothing, building materials and other goods.

It is still unclear how much leeway Soviet worker co-operatives will be given in relation to the predominant State enterprises. However, at this point, it would appear that the Soviets are attempting the most extensive experiment in co-operative development -- and particularly worker co-operatives -- of any country to date.

The Soviet experiment is being observed by economic planners throughout the world. Its outcome will undoubtedly have an impact on the worker co-operative movement in other countries, including Canada.

Jack Quarter is editor of the *Worker Co-ops* magazine.

Translations of the Draft Law on Co-operatives, originally published in Izvestia on March 5, 1988, are available from the Press Office of the Soviet Embassy in Canada, 1108 400 Steward Street, Ottawa, Ontario K1N 6L2; (613) 236-7228.

Co-ops to take leading role in "Perestroika", Gorbachev tells Soviet People

The following are excerpts from a speech by Soviet leader Mikhail Gorbachev on the role of co-operatives in the restructuring of the Soviet economy. The speech was delivered on March 23, 1988, to the 4th All-Union Congress of Collective Farmers.

The co-operative movement is known to have reached its peak in the '20s, about one-third of all the peasant households was

involved in some form of agricultural co-operation. Dozens of types of co-operatives established from below came into existence in the country, as well as unions and associations of such co-operatives which supplied agricultural produce to the markets, manufactured simple machines and equipment, and building materials, mined ore, produced metals, repaired equipment and household utensils, and made clothes and footwear - in short, performed services badly needed by society.



Soviet Premier Mikhail Gorbachev delivering a speech to the 4th All-Union Congress of Collective Farmers.

Vital role

We must also appreciate the role of the co-operatives of these days in supplying the population with goods and services. According to statistics on co-operatives of that time, consumers' co-operatives handled the sales of up to 50-70 per cent of the basic consumer goods put out by state industry. They conducted their trade not only in the countryside but also in the towns. By the mid-'20s the co-operatives were procuring about 35 per cent of all the grain and flax produced in the country, some 40 per cent of the wool, and 90 per cent of the sugar beet. The co-operatives also played a large role in providing peasants with machines, farm implements and seeds.

Unfortunately, all this did not go on for very long. As a non-equivalent exchange began developing between the state sector and the co-operatives, as command-style methods of management came to be used more and more, and as the democratic principles of society's life started losing ground, the very idea of co-operation began to be frowned upon, the role of co-operatives was belittled and the diversity of their forms began to shrink. Based as they were on self-payment and self-management, the co-operatives could not exist without cost accounting and broad democracy. They began phasing out, and the sphere of their operation became smaller and smaller.

The co-operative movement must be revived in all its

diversity. But this revival must naturally be in line with the new conditions and new requirements. We must re-establish co-operatives, but not in the old and sometimes very simple forms; we must create modern co-operatives, highly cultivated, and widely integrated both within their structure and with state enterprises and organizations. We need highly effective co-operatives, well equipped technically, and able to produce goods and services of the highest quality and to compete with our own and foreign enterprises.



Soviet Premier Mikhail Gorbachev delivering a speech to the 4th All-Union Congress of Collective Farmers.

Remarkable growth

In discussing the prospects for the development of the co-operative movement, we are taking recent experience into account as well. Over one year alone, almost 14,000 co-operatives have been set up and began functioning in this country in consumer goods production and the processing of secondary raw materials, in trade, in public catering and in the consumer services. More than 150,000 people are now engaged in co-operative activities in the country. Many of the new co-operatives are functioning effectively and are gaining popularity with the population. The range of goods made by the co-operatives is growing rapidly. There is increasing demand for the consumer, repair and building services they offer.

Of late, co-operative forms have also begun to be applied within the structure of state enterprises, mainly in low-profit or loss-making sectors. And it should be said that the effect has been impressive. By eliminating mismanagement, by cutting down staff, by streamlining work and by using material assets, these sectors are rather rapidly increasing their profitability.

Legislation a problem

It should be admitted, however, that lack of adequate legislation is a serious impediment to the development of co-operatives. There are separate normative acts in existence regulating the co-

operative movement that sometimes contradict each other. What is more, many of them not only fail to support co-operatives, but even slow down their growth. In view of this, it was found necessary to work out a uniform all-union legislative act -- the Law of Co-operation in the USSR, which will drastically enlarge the sphere and scope of the co-operative movement.

On a number of questions the Draft Law introduces new and radical improvements in this mechanism, which should have an impact on the entire economy. The basis, or one might say, the core, of the new document is recognition of the co-operative sector as an equal component part of the single national-economic complex of the country.

Accordingly, the sphere of co-operatives' activity has been extended, and the unnecessary restrictions that have operated until now have been removed. The right to join a co-operative is granted to all citizens of the country. Co-operative members are entitled to all the social amenities provided for factory and office workers. Another important point is that the principles of cost-accounting and self-management are being further developed in the work of co-operatives. This applies to planning, pricing, disposal of resources, and labour remuneration.

State influence

Co-operatives, as any other form of economic management, must not lie outside the sphere of state influence. There are reliable economic instruments for guaranteeing this -- taxation, the credit policy, the system of contracts with co-operatives, and the possibility of influencing their activity through state-placed orders. And, of course, all existing legislation applies fully to co-operatives -- whether it is labour protection, work safety, social security, or environmental conservation.

It is necessary to be more bold in promoting close and mutually advantageous economic relations between state enterprises and co-operatives. It is not impossible that mixed enterprises -- state-co-operative or co-operative-state -- will arise.

We are especially counting on co-operatives as a means of creating favourable conditions for an early solution to the urgent and top-priority task of bringing about a dramatic improvement in the food supply situation in the country.

Copies of the full text of this speech are available from the Soviet Press Office, 1108-400 Stewart St., Ottawa, Ontario K1N 6L2; (613) 236-7228.



Invention-Commercialization Co-op in Moldavia. VISIR's specialist Mikhail Kitik adjusts the robot controlling the spray-coating system they designed and built.

Atlantic worker co-ops survive longer than conventional businesses: historical research suggests

by

Udo Staber

Systematic data on the economic performance and survival of worker co-operatives are generally not available. Since so much interest has been generated in recent years about the economic potential of worker co-operatives, it is worth trying to evaluate their long-term viability and survival chances.

As part of an ongoing research project about co-operatives in Atlantic Canada, I collected information on the "birth" and "death" dates of all worker co-operatives that have been listed in New Brunswick and Nova Scotia government files since the mid-1930s. I defined organizational birth as the year of registration in government files. Organizational death was defined either as the year in which the co-operative was listed in government files as being cancelled or as the first year it was discussed as being inactive. The birth and death dates of most co-operatives were cross-validated with information in annual directories of co-ops and co-op newspaper accounts.

The data search identified 102 worker co-operatives that have been active in New Brunswick and Nova Scotia for at least one year since the mid-1930s.

Table 1. Failure Rates by Age of Co-operative

Age in years	Cumulative % surviving at end of period
0 - 3	86
4 - 6	58
7 - 9	53
10 - 12	46
13 - 15	38
16 - 18	38
19 - 21	38
22 - 24	32
25 - 27	28
28 - 30	28
31 - 48	24

The data in Table 1 indicates that as co-operatives get older, their survival chances improve. Nearly half of the co-operatives (47 per cent) failed before age nine, but only 28 per cent of the co-operatives survived at least 48 years, and many of them were still alive at the end of the study period in 1986.

This high failure rate during the infancy years still compares rather well with the 70 - 80 per cent failure rates typically reported for conventional businesses in Canada within their first five years. This performance is all the more remarkable when considering that worker co-

operatives, although no longer a novel form of business organization, generally lack the degree of social legitimacy that conventional businesses enjoy. Their democratic organizational structure contradicts and challenges basic institutions of our market-based society. Most co-operatives are small in size, and they not only face many of the problems of traditional small businesses but they also need to convince funding agencies, suppliers and consumers of their social viability and credit-worthiness.

The figures in Table 1 also indicate that worker co-operatives tend to be most

vulnerable from ages four to six, rather than failing quickly during their first three years of existence. Only 14 per cent did not survive to age three, but 32 per cent of the survivors failed during the next three years. This pattern is very different from that prevailing in the private sector where most failing businesses die during their infancy years. It could be that many co-operatives are protected against early failure by the "frontier spirit" of an initially enthusiastic membership willing to work long hours for low wages. We know from many case studies that member commitment to collective ideals tends to fade as co-operatives get older.

Seventy-three per cent of the co-operatives studied were registered since 1973. The years 1973 to 1977 were a particularly active period, with 38 new co-operatives. Their average age, however, at the time of cancellation was only six or more years, and only 26 per cent were still alive in 1986. This compares with an average age of 26 or more years for the 12 co-operatives registered from 1938 to 1942 and a survival rate of 42 per cent to 1986. Most of the co-operatives registered since 1978 were still alive at the end of the study period in 1986. They could live on for many more years.

The statistics in Table 2 suggest that co-operatives' survival chances may vary in historical time. Some co-operatives may do well because they established themselves and built lasting networks with suppliers and customers in "good" years. Others may be short-lived because they were started at a time when markets were saturated and external funding

Table 2. An Historical Picture

Year of registration	Co-ops registering	Ave. age at cancellation or in 1986	Number alive in 1986 (%)
1938 - 1942	12	26+	5 (42)
1943 - 1947	4	29+	1 (25)
1948 - 1952	0	--	--
1953 - 1957	1	5	0 (0)
1958 - 1962	1	24+	1 (100)
1963 - 1967	2	22+	2 (100)
1968 - 1972	9	15+	4 (44)
1973 - 1977	38	6+	10 (29)
1978 - 1982	12	5+	8 (67)
1983 - 1986	23	2+	19 (83)

was limited. Systematic research is needed to study the relationship between organizational longevity and the conditions under which co-operatives were established.

The failure patterns of worker co-operatives in New Brunswick and Nova Scotia are nearly identical. The similarities suggest that any differences in government policies towards worker co-operatives have had no effect on survival. While specific government programs may affect that likelihood that new co-operatives are formed, longevity apparently is determined by other factors, such as the size of a market, the extent of market competition, the availability of appropriate worker skills and the presence of a support network.

Conclusion

Believers in the vision of workplace co-operation and organizational democracy may find some encouragement in the survival record of worker co-operatives in New Brunswick and Nova Scotia. Still, a lot more research is needed to determine the conditions that facilitate co-operatives' survival chances and enhance their contribution to economic development and employment growth.

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MONDRAGON

Mondragon co-ops continue their remarkable growth

The Mondragon group in the Basque region of Spain has been experiencing profound changes because of its recent entrance into the European Common Market and because of stiff competition from transnational corporations. Since 1980, this challenge has been met by a heavy investment in new technologies, a greater emphasis on exports, arrangements whereby Mondragon co-ops assemble and market under license the products of transnationals, the development of agricultural co-ops within the Mondragon group, internal reorganization so that the co-operatives can be represented as a group in political and business decisions, and the expansion of internal education through the Iksabide Institute.

During 1987, the debt load used to pay for the major modernization of the Mondragon industries has been reduced. Investments in Mondragon industries, however, continue to increase, as they have throughout the 1980s. Total sales and exports also continue their steady climb, as do jobs in the co-ops. In all of these areas, the Mondragon co-ops have surpassed comparable industries in Spain.

The following graphs, pieced together from Mondragon publications with the assistance of Paul Gibbard of The Big Carrot Co-op in Toronto, capture the remarkable growth of the

Mondragon group since 1982, and also project the 1988 picture.

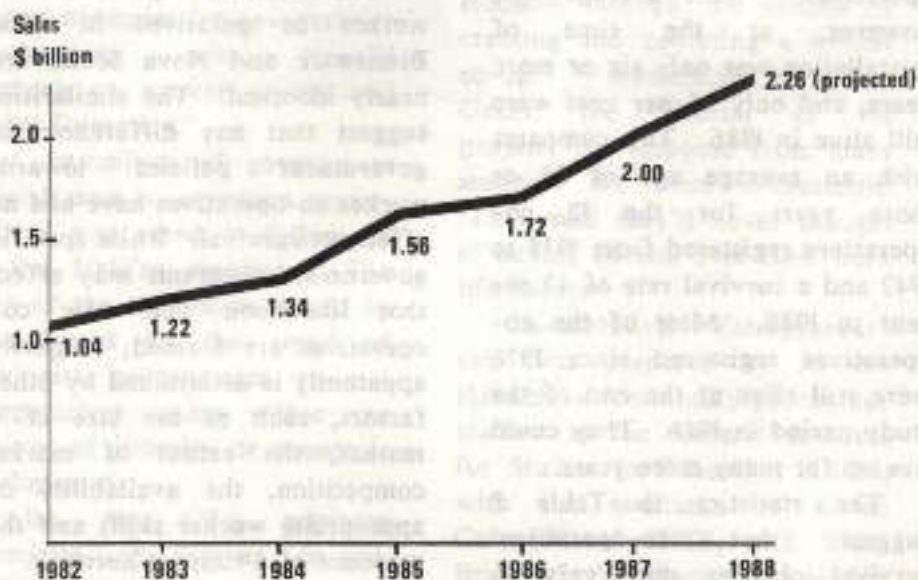
There are five construction co-ops in the Mondragon group. ULMA is a 470-member co-op which builds such structures as scaffoldings, shoring systems, formwork systems, fencing and barriers. It also specializes in the construction of greenhouses, wrapping and packaging machines, and in the construction of auxiliary equipment for bakery and pastery business. Its annual sales are \$36-million,

about 10 per cent of which is from exports.

URSSA, a 250-member co-op, specializes in the design, manufacture and construction of steel objects, e.g., boilers. Its annual sales are \$16.5-million, of which 20 percent is from exports. Covimar has 82 members and specializes in cutting and polishing natural stone, granite and marble. It also does fittings of facias. Covimar's sales are \$4.5-million.

Another smaller construction

Mondragon Co-ops Sales



Around the World

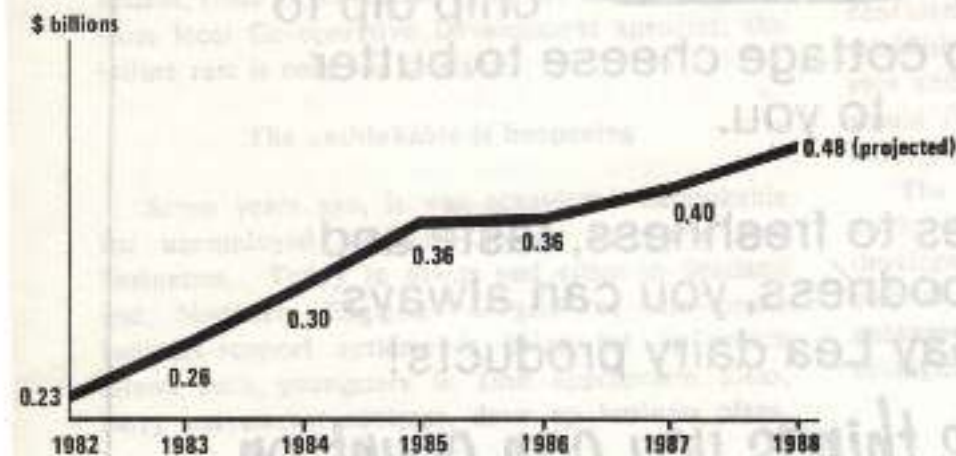
Mondragon Co-ops Investments



Mondragon Co-op Members: 1982-1988



Mondragon Co-ops Exports



Around the World

co-op is Vivienasy Contratas with 68 members. Specializing in the construction and promotion of housing, this co-op has annual sales of \$8.3-million.

Perhaps, the best known-of the Mondragon construction co-ops is Orono because it recently won the contract to build the spatial structure of the stadium for 1992-Barcelona Olympics and spatial cover for the general pavilion of Expo to be held in Seville in 1992. Orono also specializes in lifts for passengers and goods. Its sales are \$2.8-million of which 10 percent are from exports. Orono has 424 members.

In total the Mondragon construction co-ops have about 1,290 members, \$93-million in sales and \$4.5-million of exports. ■

UNITED KINGDOM

Worker co-op sitcom on British TV



Norma Henderson

Thames TV, the London-based section of the Independent Television Network is to produce a sitcom based on the creation of a worker co-operative business. The National CDA and Kingston and Richmond CDA are acting as advisors to Thames.

In conjunction with the programme, Thames TV intends to produce a booklet that will present all the factual data in a light-hearted way. The format and content of the booklet will

be monitored by Thames TV and the CDA, and it is expected that the drafts will be written by members of Kingston and Richmond CDA.

The sitcom is expected to be screened in the London area in October this year, and may be networked at a later date.

New "Umbrella" CDA in East Anglia

New co-operative enterprises are currently taking off throughout East Anglia, supported by 11 local CDAs. In order to extend their work the local CDAs have now created a regional organization: East Anglian Co-operative Development Association.



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Leicester Printers in private takeover

Leicester Printers, a firm which has been operating as a co-operative since 1892, has reverted to private ownership. The firm ran into financial difficulties and was rescued by a local entrepreneur.

The structure of this co-op was not the same as the majority of co-ops in the U.K. Registered under the Industrial and Provident Society's CPF rules, its articles allow for outside shareholders and voting rights are on the basis of the number of shares held. What distinguishes it from a private company is that a reasonable proportion of its employees are shareholders.

The CPF co-ops resulted from the work of the Co-operative Union and the Co-operative Wholesale Society. Their basic purpose was to allow firms from the wholesale and retail areas of the co-op movement to hold shares in a production company, thus keeping the firm within the co-operative movement, but getting over the problem of raising capital -- an even more difficult problem for co-ops in the nineteenth century than it is now. There are very few co-ops operating under this format left in the U.K.

Two bids were tendered for Leicester Printers, one from a local entrepreneur and one from the London printing co-op, Lithosphere. The latter bid was

rejected by the shareholders' meeting.

Norma Henderson is a graduate student in the Co-operatives Research Unit, The Open University, Walton Hall, Milton Keynes, United Kingdom MK7 6AA.

SCOTLAND

The ultimate organic product

A Scottish worker co-op may have the product for organic food eaters who also like alcoholic beverages. Grampian Organic Wine Suppliers, distributes wines from France and Italy which are made from organically grown grapes and which have no additives. One of the co-op's directors, Ian Baird, says, "with organic wines we can enjoy a nice, pure glass of wine and help to protect the environment from chemical assault."

For a free catalogue and price list contact **Ian Baird** at Grampian Organic Wine Suppliers, Mary Field, Banchory, Aberdeenshire, Scotland AB3 3LY; (Telephone) 033-045-336.



Postal co-op

Rural post offices throughout Canada, which are operating under threat of closure, may learn something from the way that a Scottish community handled the problem. The SCDC News reports: "In the hamlet of Boarhills in Fife, the village store and post office was the hub of community life. Measuring only 12' x 5' the store found itself under threat of closure last year. Determined locals formed a co-operative to save the service, using the store voluntarily for six months.

Late last year, ownership of the store and its post office licence were transferred to the co-op. Villagers have rallied behind the venture and, in an effort to maintain its viability, are using the store more and more.

The Co-op, Boarhills Stores Ltd, is confident of success and planning expansion into other local ventures."

For more information contact the SCDC News, Templeton Business Centre, Bridgeton, Glasgow, Scotland G40 1DA; (041) 554-3797.

UNITED STATES

Dawson leaves ICA, Megson new director

Frank Adams

Steven L. Dawson, the Industrial Co-operative Association's first executive director, resigned January 1, after ten years of service. James D. Megson was elected to replace Dawson by the pioneer consulting-organization's staff.

Megson, a British citizen, has worked with co-operatives in West Cameroon, Africa, and in Jalapa, Nicaragua, between stints in the food, publishing and homecare industries, both in Great Britain and the United States. He was selected after a nationwide search.

After his election, Megson said, "We need to have more worker-owned businesses operating successfully, especially in the healthcare industry, among employees who buy out retiring owners among branch firms of conglomerates, and in rural America."

Since becoming executive director, Megson has signed a contract with the Grant Country Co-operative Ownership Development Corporation in southwestern New Mexico to assist that grassroots organization form worker-owned firms. He and Clark Arrington, an attorney with an ICA-affiliated law firm, reorganized a Puerto Rican fruit

juice extraction co-operative out of bankruptcy.

ICA also announced it will assemble a U.S. directory of worker-owned firms. It hopes to publish it by early 1989.

ICA is also publishing an educational manual, by Richard Feldman of Seattle, explaining

the internal capital accounting system, and an introduction to worker ownership for groups -- the Working Knowledge Program.

Frank Adams is director of educational services for the Industrial Co-operative Association, 58 Day St., Ste. 200, Somerville, MA 02144, USA; (617) 629-2700. ■

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MAIN street



Senator Edward Kennedy
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ESOP buyouts grow in the U.S.A.

The Second Annual "National Employee Ownership Week" will be celebrated October 3-9 throughout the United States. Last year, there were over 250 events.

Employee ownership through ESOP trusts continues to grow in the U.S. In 1987, \$5.5 billion was loaned to ESOPs, as compared to \$1.2 billion in 1986. According to the National Center for Employee Ownership which compiled these data, 63 per cent of the \$5.5 billion was loaned to two

controversial ESOP buyouts -- Avis and Health Trust.

The attempt by pilots at United Airlines to purchase that company through an ESOP has led to the introduction of legislation by Representative Dan Rostenkowski (House Ways and Means Committee Chairman) and Senator William Armstrong of Colorado requiring that employees be given the right to vote on whether or not they want an ESOP. The United employees group has opposed the pilots' efforts to buy the union.

The Armstrong and Rostenkowski bills are similar to legislation being developed by Massachusetts Senator Edward Kennedy, chairman of the Senate Labour Committee.

For more information about ESOPs contact the National Center for Employee Ownership, 426-17th Street, Suite 650, Oakland, California 94612, U.S.A. ■

...

NORDIC COUNTRIES

Worker co-operatives are only a very marginal part of the Nordic countries' economies (Sweden, Denmark, Norway and Finland). In 1986, these four countries had only 164 worker co-operatives with about 5,200 workers. Sweden, with 101 companies and 2,672 workers had the largest number in the Nordic group, and Norway with 35

companies and 1,769 workers had most of the remainder.

Most of the Nordic-country worker co-operatives are small, recent, and in such market areas as construction, textiles, graphics, and service.

In a recent monograph, *Employee-owned Companies in the Nordic Countries*, Lars Lindkvist and Ann Westenholtz identify four reasons why worker co-operatives have not taken off in the Nordic countries.

These are:

- relatively low unemployment rates and relatively elaborate unemployment relief and social security;
- a weak tradition for collective entrepreneurship;
- no tradition for employee ownership within Nordic trade unions;
- a lack of institutional support for employee ownership.

In spite of this analysis Lindkvist and Westenholtz hold out hope for employee ownership because "there exist great regional and structural problems of unemployment". Their hope is based on appropriate financial, technical and educational supports being put into place.

For a copy of the Lindkvist/Westenholtz monograph contact the Nordic Council of Ministers, Store Strandstraede 18, 1255 Copenhagen, Denmark.

For information about each of the four Nordic countries Contact:

Denmark -- Ann Westenholtz, Institute of Organization and Industrial Sociology) Copenhagen School of Economics and Business

*Administration, Blagardsgade
23B, 2200 Copenhagen N; (01) 37
05 55;*

*Finland -- Kaj Hellbom,
Swedish School of Economics and
Business Administration,
Arkadiagatan 22, 00100
Helsingfors 10; (044) 02 91;*

*Norway -- Jan Henrik
Bjornstad, University of Oslo,
P.O. Box 1096, Blindern, Oslo 3;
(02) 45 50 50;*

*Sweden -- Ann-Brit
Hellmark, The Swedish Centre
for Working Life, Box 5606,
11486 Stockholm; (08) 790 95
66.■*

EUROPE

**A profile of worker co-ops in the
printing industry**

Italy

There are a handful of large worker co-ops in Italy's printing industry and very many small ones. Overall, there are 17,000 printing worker co-ops with 135,000 workers. In 16,000 of these co-ops, there are fewer than 20 workers.

The large co-ops and about 30 per cent of the small co-ops use advanced printing technologies. The small co-ops are highly specialized, but have formed consortiums ("consorzi") to co-ordinate the operations of firms with complementary specializations.

Portugal

Printing worker co-ops in Portugal are in financial trouble because of difficulty in obtaining credit to modernize obsolete equipment. Of the 24 printing co-ops, 21 may be forced to shut down in the near future if this problem cannot be solved.

France

There are 120 worker co-ops with 3,200 members in France's printing industry. In Paris and Toulouse, co-ops have a large share of the typesetting business.

Ten years ago, the co-ops went through a difficult time when they converted from typo to offset. Just when they are recovering from this technological change, they are now facing the necessity of another major modernization.

The French printing co-ops are organized into their own federation -- Fédération nationale des SCOP des Industries Graphiques et de la Communication.

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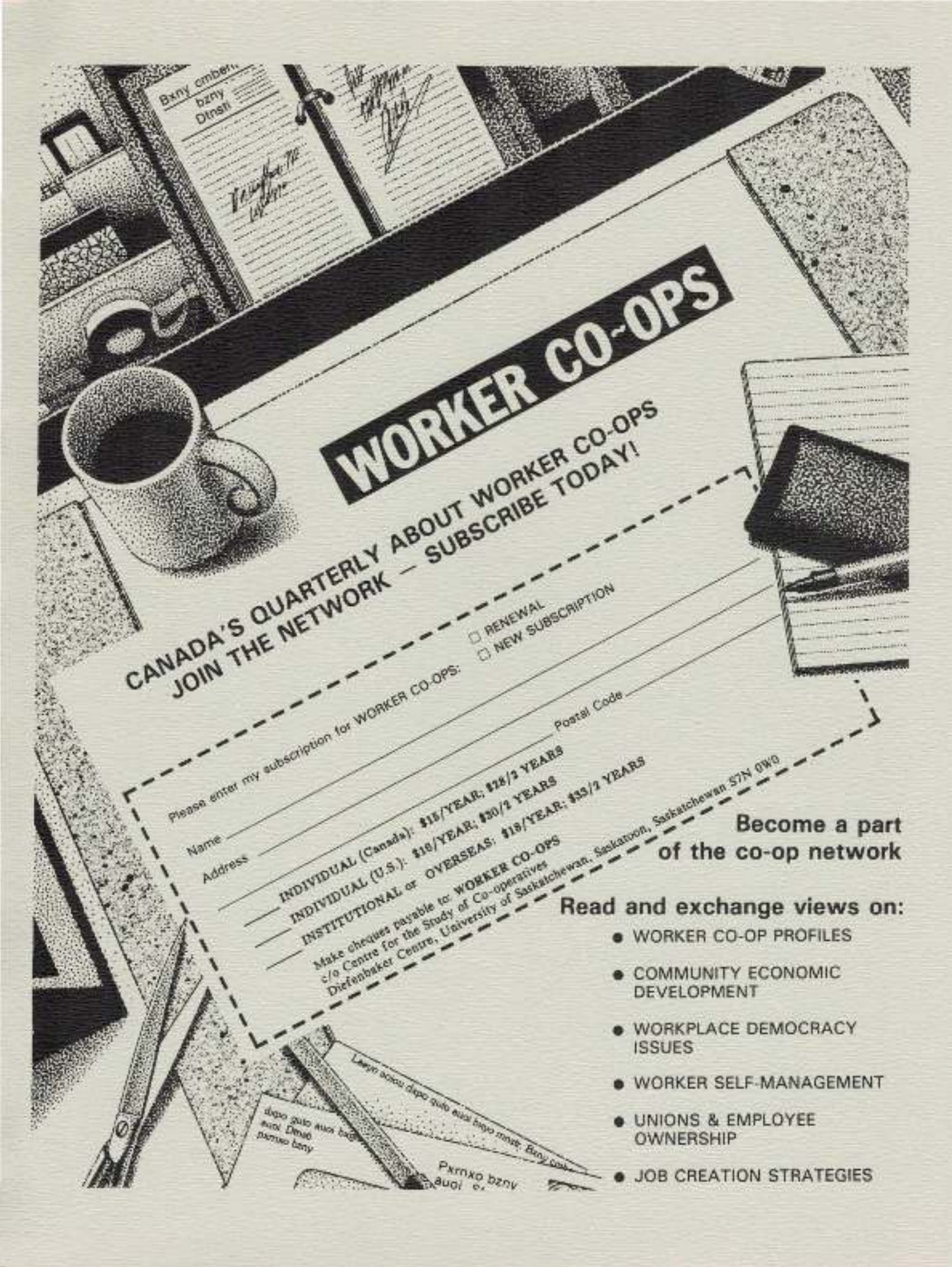
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WHEN will WHMIS come into effect?

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WHERE can you get information on WHMIS?

From your federal, provincial or territorial agency responsible for occupational safety and health.

GET READY NOW to make WHMIS happen in your workplace!



Canada



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