

W O R K E R

# CO-OP

The Voice  
of Economic Democracy  
in Canada

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no. 3

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Over one million Canadian children are currently living in families with just one parent. Lone-parent families headed by women generally have less desirable living accommodations and fewer basic household facilities than other families. Feminist collectives play a crucial role in reducing such inequities and in helping women to respond to violence.

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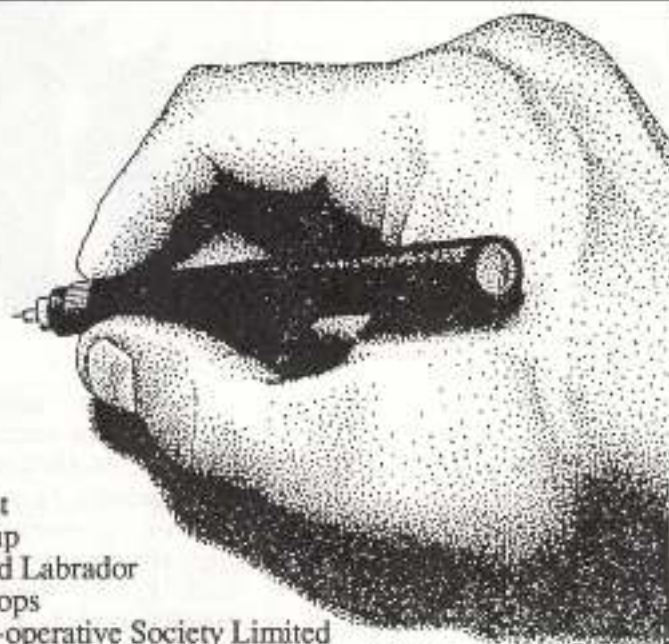
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## Contacts Wanted

I read in the spring issue of *Worker Co-ops* about the Third World Conference of CICOPA, the International Committee for Industrial and Artisanal Production Co-operatives, a special organization of the International Co-operative Alliance. I am interested in finding more information about how CICOPA organizes its conferences and the organization itself.

Could you get me an address for CICOPA as well as for the International Co-operative Alliance? Can one become a member of the International Co-operative Alliance or can only co-operatives be members? Because of my interest in economic development issues for indigenous peoples (as an aboriginal development field worker and aboriginal rights lawyer), I am interested in making contacts with groups from other countries who work with small cultural groups.

Andrew J. Chapeskie  
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Kenora, Ontario  
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*Editor's Note: The mailing address for CICOPA is: c/o International Co-operative Alliance, 15, route des Morillons, 1218 Grand-Saconnex, Geneva, Switzerland.*

## Kagiwiosa Manomin Co-op

I am writing to provide additional information about the Manomin worker co-op on the Wabigoon Lake Ojibway Nation Reserve which was described in Vol. 8, No. 2 of the magazine.

Kagiwiosa has a commitment to distributing its manomin only through co-operative wholesalers and alternative trading organizations worldwide. This unique market niche is being successfully serviced in Canada, Switzerland and Germany at

present. Kagiwiosa is in the process of securing markets for its manomin (wild rice) in the U.S., Holland and the United Kingdom. Other potential customers include a worker co-op distributor in Scotland and consumer co-ops in Japan, Denmark and Italy. Co-operation amongst co-ops is an important principle which Kagiwiosa is following.

It has taken two generations of the Pitchenese family to develop technology which is consistent with the traditional hand-processing of manomin as practiced for thousands of years by the Ojibway people. In 1985, Kagiwiosa Manomin began operations using a portable processor provided by the Mennonite Central Committee. Sales to local stores were only \$5,000 for a volume of 1,000 pounds.

The 1987/88 fiscal year was a breakthrough, as contracts were negotiated in Toronto, Montreal, Switzerland and Germany. Sales increased to 43,000 pounds (their full production) for a dollar value in excess of \$250,000.

On September 2, 1988, a new processing plant was opened with a capacity of 500,000 pounds of finished product. Kagiwiosa provides three permanent fulltime positions at present and seasonal employment for 18 processing workers and 400 harvesters from 10 native communities. Kagiwiosa pays harvesters four times as much per pound as they would otherwise receive from non-native processors. Ten cents of every dollar is placed in a wild rice development pool for further improvements in cultivation, harvesting and farming practices.

Kagiwiosa provides a model for self-help and economic development which is mutually beneficial to native communities and non-native society. Worker co-op structures allow native people to retain their traditions and pride through self-reliance.

Russell Christianson  
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*Editor's note: A second manomin co-op is being planned for the Ottawa region. Information can be obtained from Sharon Gow, Circle Co-op, 1-324 Frontenac Avenue, Vanier, Ontario K1L 6K7; (613) 744-0067.*

## Correction Noted

I have to report a clarification for the Souris Valley Echo article (*Worker Co-op*, Vol. 8, No. 2, p. 13). In that article I mentioned that the Echo "may take on a student co-operative program for the Department of Co-operative Development." This should have stated that "the Souris Valley Echo is sponsoring a student agency under the Student Co-operative Initiative."

**Jeremy Hull**

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*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 Avenue, Suite 212, Toronto, Ontario M4K 1N8*

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## CONFERENCES

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### CASC Annual Meeting

The Canadian Association for Studies in Co-operation holds its annual general meeting June 3-5, 1989, at the Université de Laval, Quebec City. The plenary session focuses on co-operative development in the 1990s. In addition there are sessions co-sponsored with various disciplines (e.g., economics, sociology, history).

Proposals for papers and general information about the conference are available from Murray Fulton, CASC, Centre for the Study of Co-operatives, Diefenbaker Centre, University of Saskatchewan, Saskatoon, Saskatchewan S7N 0W0; (306) 966-8507.

### Participatory Research

The University of Calgary is hosting a three-day conference on participatory research, July 13-15. The conference will demonstrate participatory democracy in action. Information is available from Professor Timothy Psyrch, Faculty of Continuing Education, University of Calgary, 2500 University Drive N.W., Calgary, Alberta T2N 1N4.

# Community Economic Development Misused in Canada

by Jim Lotz

Guy Dauncey writes like the man who drank a bottle of beer, liked it -- and then went out and bought the brewery. ("A Planetary Approach to Community Economic Development", Worker Co-ops, Summer 1988).

In promoting community economic development, he ignores its history in Canada and Britain. In the 1960s community development was touted as an answer to all the ills of the world. As Canada and Britain became increasingly middle class, the public participation movement arose to stop any change that threatened the interests of that class. Meanwhile government became increasingly bureaucratic.

Many individuals used community development as a way to avoid taking responsibility for their own lives. By submerging themselves in a social movement -- and jumping into the lives of the poor, Indians and other outsiders with the claim of being able to "help them to help themselves" -- young people avoided the necessity of confronting the evil in society -- and in themselves. Community development is a vague term and has been used to describe everything from the most manipulative type of government action (resettlement in Vietnam and other countries) to anarchist ventures such as the Company of Young Canadians, made up of people who wanted to run the revolution on government money.



Governments have used community development to buy off dissidents. They seemed to believe, as many bureaucracies do, that community development starts at their front door and that they don't have to change.

## The Maritimes Scene

In this part of Canada, the Canada Employment and Immigration Commission (CEIC) has funded "Community Futures" programs. In some places this has simply involved providing funds for local citizens to sit around and compile wish lists. When this process is completed and local people want to turn ideas about their ideal community into action, CEIC refers them to government development agencies for funding. This is creating a great deal of interagency tension, to put it mildly. CEIC has now raised community expectations that can never be fulfilled with the available resources. That is an immoral act.

## A CED agenda

Rather than engaging in fantasies, people concerned with community-based development should concentrate their concerns on the following areas:

Identifying and analyzing successful

community-based ventures and disseminating trustworthy information about them. I'd suggest that community-based ventures are not very different from small private companies. If they are not delivering a needed service or product, at a competitive price, in a way that pleases consumers, they won't last long. No amount of rhetoric or ideological rantings will change the harsh economic facts of life. Community-based development has to deliver good or services.

Many of our larger structures of society are unresponsive and inhumane. Involvement in community-based development exposes people to new ways of thinking and doing things. It should put them in touch with their own humanity -- its limitations as well as its potential -- and that of others.

The co-operative movement illustrates what happens when bureaucratization sets in. At the upper levels of the movement are people who have lost touch with its history and its roots. They behave just like capitalists, concerned mainly with power, privilege and perquisites. Involvement in community-based development will create a new generation of leaders who will be able to move into positions of power in co-operatives and credit unions and make them work more effectively and efficiently for those inside and outside their boundaries.

**The history of the co-operative movement illustrates the old saying that "every good idea begins as a heresy and ends as a dogma."**

Many of those involved in community development and public participation simply lost heart when they found that they could not change the world (or stop it changing) overnight. They decided "the hell with it" and burned out, rusted out, or dropped out of the movement. Community development rooted in a lust for power never succeeds. Without a strong moral and ethical basis, founded on love and respect for oneself and others, community economic development will turn into another set of quick tricks and gimmicks and the field will be invaded by magicians, charlatans, pseudo-experts and rebels seeking a cause.

Guy Dauncy has played a valuable role in pointing out where the action is in Community Economic development. Training people requires real experts -- the individuals and groups who are on the front lines. I can see a real danger of community economic development becoming yet

another exercise in bureaucratic and academic fantasizing. We've had too much of this in Canada where people have sat around in offices and seminar rooms, solving all the problems of the world in an abstract void and then coming up with theories and schemes that have no relationship to the real world.

## A Personal Note

I've been involved in community development since 1960. But I do not consider myself an expert. That way, you stop learning -- and you create dependency in those who seek your advice.

I grew up in a working class district, in Liverpool, England. On June 16, 1915, my father's battalion went over the top at Hooze. Of 23 officers and 519 other ranks who went in, only 2 officers and 140 men came through untouched. Ten officers and 178 other ranks were killed and 200 others wounded. A little over a year later, the battalion went over the top again and had 280 casualties out of 600 officers and men. During the Second World War our street was heavily blitzed, and my father -- as well as working full-time -- went out firefighting at night.

I came to Canada to escape this insanity and old hatreds. Canada offers tremendous possibilities for personal, organizational and community development as ways of finding both the moral equivalent of war and of creating a more open, humane and responsible society. We may not recognize this possibility. But students from developing nations do. I've been told by them that they trust Canadians after experiencing American economic imperialism and British and French colonial mentalities. If we can determine what works in community-based development, we can share that knowledge with people in western nations and the developing world. We can learn from these people and serve as a bridge of learning for everyone concerned with real, human development.

To do this will take time, commitment and a combination of idealism and realism that is more common in Canada than anyone can ever imagine.

*Jim Lotz, a freelance writer, is the author of Northern Realities (1970) and Understanding Canada (1977) as well as of numerous papers and articles in Canadian and foreign journals and magazines. His address is Box 3393, South Halifax, Nova Scotia B3J 1J1; (902) 423-3263. ♦*



# State Assistance and Worker Co-operative Development

by David Laycock

Worker co-op activists are familiar with basic political questions facing all attempts to inject workplace democracy into community economic development. We know that the challenge of democratic control by a firm's own employees is a political challenge about which we can't afford to be glib or romantic. We know how hard it is to convince leaders and members of "mainstream" co-operatives that worker co-operatives represent "the next great frontier of the co-operative movement," as the *Report of the 1984 Task Force on Co-operative Development* suggests. We are also increasingly aware that the role of the state in worker co-operative development will be a continuing source of debate. What is it about worker co-operatives that necessitates state assistance and simultaneously raises political issues for other Canadian co-operators?

Over the past decade, the state's role in economic development has become a hot topic. Neo-conservative attack on the state and their celebration of the market's magic have put proponents of state intervention on the defensive. Left liberals and social democrats have been under pressure to deny that the state can play more than a regulatory role in our mixed economy. In such an environment, it should not be surprising that the role of the state in co-operative development has become an issue of increased theoretical interest and practical urgency.

## Start-up Assistance

State assistance for worker co-operative development is unavoidable for several reasons. Worker co-operatives often need some of the same kinds of promotional, regulatory, taxation, legislative, and financial start-up assistance that any form of new business needs. Few people will deny



that the state has a legitimate role to play in providing viable businesses with initial opportunities in particular markets. The history and structure of our national political economy has featured state involvement in everything from massive subsidies for transcontinental railroads, to protection of grain farmers from monopolies and world markets, to support for high-tech industries in Saskatoon. At some level, the argument has always been that these worthwhile economic activities required some degree of insulation from the logic of the capitalist marketplace.

Worker co-operatives pursue employee benefit-maximizing strategies in competitive markets dominated by profit-maximizing employers, and thus often require special insulation from the workings of the market. They typically encounter substantial difficulties with long-term re-investment and capital accumulation, and are thus often at a competitive disadvantage in relation to capitalist firms whose operational logic is structured around capital accumulation.\*

## Political Challenge

What political challenges arise from this necessity of state assistance? The first is autonomy: how can the objectives and operating principles of worker co-ops remain their own, rather than being transformed and perhaps undermined by meeting state agencies' criteria for funding or other assistance?

People with experience in community development are aware of the limitations that most government assistance programs impose.

\*For a thought-provoking but rather sobering discussion of how this has worked in Britain, see David Miller, "Market Neutrality and the Failure of Co-operatives," *British Journal of Political Science*, vol. 11, 1981, pp. 309-329.

Organizational survival often depends on meeting government criteria for continued funding. This can easily preclude innovative approaches to democratic decision making, employee training, and may reduce responsiveness to political and social concerns of the community. When faced with choosing between organizational survival and pursuit of founders' value-based objectives, the "state sponsored" organization tends to opt for the former. Given that employees and participants have to maintain their incomes, this is completely understandable.

This dilemma need not always arise in so stark a form. Those expecting state assistance can identify their value and organizational objectives, think seriously about how much these will be compromised by government funding, and determine whether such compromises are acceptable over the long run. For a worker co-operative in particular, democratic decision-making must be central to the firm's training and operational practices. Worker-members must regularly evaluate their progress in democratic decision-making -- of which few workers have much experience -- to ensure that their powers of self-determination and group decision making are being developed.

### Job Creation

These same priorities must have a high profile in arrangements with state funding agencies. A commitment to co-operative democracy must be paramount in all interactions between worker co-op resource groups, other co-operative organizations, and state agencies. Neither worker co-op activists nor their allies in the mainstream co-operatives should present worker co-ops as merely another means of reducing unemployment. If employment creation becomes the primary rationale for state assistance to worker co-ops, the democratic objectives risk becoming little more than poorly understood curiosities to government personnel and the public. Worker co-ops reduced to this position easily become captives of particular governments' partisan agendas. Co-operatives can't afford to be perceived by the public as another suspiciously convenient vehicle for temporary reduction of welfare rolls.

If worker co-operatives decide to insist on democratic education, decision-making, and autonomy from governments' policy agendas, they are making a political decision. They are identifying themselves as institutions whose logic is not in step with either the capitalist market or the

"political market." This may cut off worker co-operatives from a good deal of short-run state assistance that is readily available to their private small businesses competitors. Worker co-ops in Saskatchewan have been slow in getting off the ground over the past five years for this reason, among others.

By demonstrating the extent of their misgivings about the logics of prevailing economic and political markets, worker co-operatives also risk distancing themselves from Canada's conventional co-operative sector. Again, this is a political decision, since during the past generation most major co-operatives have perceived a business necessity in accommodating themselves to these logics. Worker co-ops also risk alienating state agencies, and many politicians, if they are too insistent that their democratic *raison d'être* be given a high profile. On the other hand, if their attempts to increase levels of assistance from the state and other co-operatives lead them to downplay their democratic objectives, worker co-operative development may ultimately do little to advance the cause of workplace democracy.

### From Dilemma to Achievement

We have reason to hope that one way out of this dilemma is for leaders of major co-operatives to understand that worker co-operatives represent the promise of co-operative democracy among new, urban constituencies in Canada. If these leaders accept such a proposition, they will recognize that reducing worker co-ops' reliance on state assistance requires financial and other assistance from established co-operatives. This recognition should be growing now, as fledgling worker co-operatives confront many of the issues faced by co-operative pioneers several generations ago.

Both major and frontier co-operatives must make tradeoffs between democratic control and short-run business success, and between institutional autonomy and acceptance of governmental and private sector agendas. As co-operative leaders reflect on the significant changes in their relations with Canadian governments over the past decade, they should develop a renewed sense of the stakes involved in these tradeoffs. Recent attempts to secure state support for worker co-operative development should have shown them that worker co-ops' problems with the state are similar to their own.

My comments have been confined to problems of state financial assistance to worker co-operatives.

I have not discussed other avenues of state assistance, such as changes to enabling legislation, taxation of worker co-operatives, and integration of worker co-operative projects into regional development programs. These too are crucial to worker co-operative development. But while considering the immediate and pragmatic aspects of interaction with the state, worker co-op activists must face the long term implications of state financial assistance and reflect on how many compromises with democratic principles are likely and desirable. If mainstream co-operators and community development activists participate in this discussion, the benefits of such reflection will spread well beyond worker co-ops.

David Laycock is the author of several publications on the co-operative movement, including the monograph *Co-operative-Government Relations in Canada: Lobbying, Public Policy Development and the Changing Co-operative System* (1987), published by the Centre for the Study of Co-operatives, University of Saskatchewan, and "The Politics of Co-operative Development Strategy in English Canada," in *Coopératives et Etat*, vol. 20, no. 1 (1988), of *Coopératives et Développement*, published by CIRIEC in Montréal.

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# Feminist Collectives Spring Up Across Canada

## Prospects and Problems

by Janice L. Ristock



Jessie's collective deals with its many phone calls.

In Canada, there are approximately 72 feminist social service agencies that are organized collectively. These collectives are found in every province and in both rural and urban settings. Examples are: Nellie's Hostel in Toronto, The Mokami Rape Crisis Centre in Happy Valley Labrador; The Vancouver Women's Health Collective and The North Bay Women's Centre.

### A Profile

The average feminist collective has been in operation for 9.5 years. These organizations are relatively small, generally employing 8 to 10 women. Some collectives, like the Northern Women's Centre in Thunder Bay and the Guelph Sexual Assault Centre consist of one or two paid staff for special projects, while the rest of the members are non-paid workers. Most collectives are formed because of women's involvement with the feminist movement. The collectives' services are primarily a response to violence against women, i.e., rape crisis centres, shelters for battered women, emergency hostels and other empowering agencies.

Collectives are non-hierarchical and reflect the

feminist values of ending oppression and domination in a work environment where, ideally, power, participation and wages are equal. Collectives emphasize the sharing of knowledge, skills and information; the use of participatory decision making; and the value of women's experience for fostering personal and political change. Women see collectives as a place where their feminist political values and work lives can be integrated.

### From theory to practice

To see whether the actual practice of feminist collectives was consistent with these ideals, I conducted a national survey. The results are quite interesting. When hiring, most collectives ask candidates questions about their feminist analysis and life experiences. Little regard is given to formal education or previous work experience. In addition, as a reflection of equality, collective workers are generally paid the same annual salary regardless of years of service. Another example of practice being consistent with collective ideals is the sharing of jobs. For some specialized tasks, i.e., bookkeeping, there is rotation among

members. Specialization of tasks is seen as potentially threatening to the sharing of information and skills and to the balance of power.

All important decisions are made by consensus. This practice ensures that everyone has a voice and that no action will be taken unless there is 100 per cent agreement. In addition, most collectives have what is called "a basis-of-unity statement" that documents the underlying values and political nature of their organization. The following are examples:

"As feminists we are committed to justice and equality for all people. This means a liberation of women from oppression and an affirmation of the right of all women to dignity and autonomy. We are a collective, dedicated to the empowerment and support of women and to a process which embodies our beliefs."

"Our structure is based on the assumption that hierarchical structures are oppressive to all women. We are attempting to work within a structure that is built on alternative assumptions -- feminist ideals; sharing power; women's experiences as valid for social change."

These examples indicate that collective workers are united by a larger vision. Feminist social service collectives see themselves as providing an alternative service and as working for social change. Their political work happens both within their organizations and on the outside through lobbying efforts, demonstrations and coalition work. Every year local rape crisis and sexual assault centres throughout Canada organize "Take Back the Night" marches. Feminist coalitions are both national and regional -- e.g., the Ontario Association of Interval and Transition Houses, the Canadian Association for Sexual Assault Centres and the National Action Committee on the Status of Women.

### Collective Difficulties

Although collectives are struggling to create empowering services within a broader framework of social change, their work is not trouble free. In Canada, most of these services are funded by the government and this funding is rarely adequate or secure. Collectives often have to rely on volunteers to carry out their functions. The mix of volunteers and paid staff is often problematic since it can lead to a hierarchical arrangement.

Some collectives, like Toronto's Jessie's Centre for Teenagers, have a well developed organizational structure that clearly outlines the roles and

responsibilities of paid and non-paid staff. Visually their structure resembles linked circles, with the client population as the centre and the collective workers, service volunteers, board/staff committees, and volunteer board of directors surrounding the inner circle. Jessie's multi-service collective has been able to resist a hierarchical arrangement because it views volunteers as integral to service delivery.

Government funding creates other problems because it comes with strings attached. It leads to additional work, such as filling out numerous forms for per diem funding, as is the case for most transition hostels and shelters for battered women. Funders usually require a board of directors, which is legally responsible for the organization. Once a collective is incorporated as a non-profit corporation (the form which is seen as consistent with feminist ideology) there is often tension between the board of dedicated community volunteers and the paid staff who want to retain total control over their work environment. In order to retain the non-hierarchical structure, there are time consuming negotiations between these two groups.

Internal difficulties also emerge because of the time it takes to make decisions and to resolve conflicts. Power imbalances are evident because of differences over feminist ideology, a lack of accountability and varying degrees of commitment, even though there are structures and practices in place to prevent this. Burnout is another common problem, and it is often intensified in settings where workers are juggling a dual role of service provision and work for social change.

More research on the collective organizational structure is needed. The Women's Self-Help Network of North Vancouver Island is one collective that is beginning to develop tools, using popular education methods, to enhance the growth of collectives. However, the struggle to work collectively is a difficult one that requires a lot of support.

*Janice Ristock is a doctoral student in Community Psychology at the Ontario Institute for Studies in Education (252 Bloor Street, W., Toronto, Ontario M5S 1V6; (416) 923-6641). She is the author of "Working together for empowerment: feminist social service collectives in Canada," Canadian Women's Studies, Vol. 8, No. 4, and a number of other papers on feminist collectives." ♦*

# Workers reluctant to buy profitable company

## Unions cool on Nelco conversion

by Judith Brown and Jo-Ann Hannah

In this era of plant closures and high unemployment, workers are sometimes faced with the difficult choice of either buying the plant or losing their jobs. Nelco Mechanical Ltd., a construction company in Kitchener, Ontario, brings a new twist to worker buyouts.

When the owners, Mike Knell and his father, Carl, offered to sell Nelco to the employees, the company had a healthy profit. There was no threat of job loss. In fact, the Knells were proud of the family business which had been operating since 1906, and they wanted it to continue. To facilitate the conversion of Nelco to worker ownership, each employee was given an option of using cash or payroll deductions for their \$5,000 ownership stake.

For many other workers struggling to finance co-operative businesses, the Nelco deal would have seemed ideal. At Nelco, however, only six of the 165 employees accepted the initial offer to purchase.

To understand the turn of events, we first look at Mike Knell's story.

### Ownership pressures

Mike Knell took over as president of Nelco in 1978. The late 1970s brought hard times for the construction industry, and Nelco suffered some losses. The Knells were the target of pressure from the bank and the unions. Somewhat disheartened by the adversarial nature of industrial relations, Knell came across Werner Erhard's EST course for motivation training.

"From that course," he recalls with excitement, "I learned that I had to experience myself as 100 per cent responsible. I had to confront circumstances and take hold of them." Such a philosophy might



15 out of 17 of Nelco's owners in front of Nelco

make others pale, but for Knell, accepting responsibility meant that he also had the power to change things. A form of "New Age Politics" captured Knell's imagination, and he envisioned a model of teamwork and co-operation in his company. Knell came into contact with other people with alternative visions for business. After viewing the BBC film on worker co-operatives at Mondragon Knell decided, "that's the game."

### Uphill struggle

Knell could see the goal, but the next five years were a difficult and costly process. In his desire to



Group of Nelco owners with founder, Carl Knell. Back: Jim Scott, Mike Knell, Bob Straelaeff, Kevin Case, Carl Knell, Peter Eichinger, Del Ulmer, Les Davis; Front: Roger Wilson, Harry Vogt, Larry Riedell, Dave Asmussen

empower the employees, Knell had department representatives develop worker co-operative by-laws, and he opened the company books. Not everyone shared Knell's enthusiasm. The CFL saw Mondragon as a form of de-unionizing. The four unions representing the workers at Nelco were concerned about workers' rights. Some of the workers were suspicious of a deal that sounded too good to be true.

Finally in 1987 a conversion committee announced a meeting for those wanting to become worker-owners. Knell and Del Ulmer, a manager with the company for over 35 years, thought they had a sure-seller and rented a reception room in a local hotel. "But, we may as well have rented a small motel room," says Ulmer, "because only six of us showed up".

The six employees formed the initial group of owners. Knell circulated statements from the unions assuring workers that ownership did not mean a complete loss of union rights. Worker-owners would lose the right to run for union office and to vote on major issues, but seniority rights and pension benefits would remain intact. Eventually more of the employees bought in, bringing the present group of worker-owners to nine union members, six managers, and two non-union support staff.

### Union feels threatened

From the perspective of the worker-owners one major drawback to becoming an owner was the possibility of losing their union rights. Larry Riedel, a worker owner, voices the shared concern: "I had 20 years seniority with the union. I wasn't going to be giving that up. The union got me the wages I'm getting now -- and the pension, health care, dental, glasses, and everything else. And to sign a piece of paper and lose all these benefits..."

Dave Asmussen, a worker-owner, points out that the union lawyers researched the by-laws and found them acceptable. The company constitution requires all worker-owners to be union members in good standing, but some union members are still uncertain about the practicalities. What if one union goes on strike and the strike is hurting the company? How, then, do the unionized co-op members fulfill their responsibility to the union and to the company? A union staff person, who asked not to be identified, raised similar questions.

What happens if a worker-owner files a grievance against the company? Is that person filing a grievance against himself (or herself)?

The by-laws took three years to write and, needless to say, are not easy reading. Harry Vogt holds his hand parallel to the table, indicating the

size of the by-law folder. "The by-laws are that thick," he laughs. "Now that's lawyer talk and there's a lot in there that we don't understand."

What attracted the employees to worker ownership, was both the buying price and the opportunity to improve their pensions. But before proceeding they wanted assurance that their liability would be limited to the initial investment of \$5,000.

### Ownership important

Several workers wanted Knell to offer some shares, not total ownership to the workers. But Knell stayed with the concept of worker ownership because he did not want passive investors. He wanted workers who would actively participate in the company.

The worker-owners are seeing some value in having a voice in company affairs. "There's a learning process that goes on in this whole thing when you first join," says Dave Asmussen. "I've never been to a board meeting before. I like the concept that everyone gets their say."

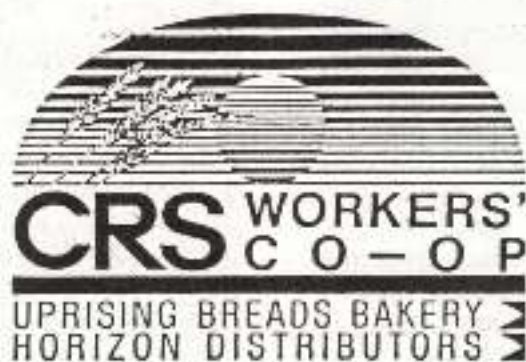
Mike Knell resigned from the board earlier this year to permit Jim Scott, a union member to have a seat. In the spring of 1989, the worker-owners in

each of the four departments will elect a board representative and management will elect two representatives, giving union members a majority. The worker-owners expect some changes when, as one says, "you have the normal working man on the board."

Knell and Ulmer are pleased with the conversion. The new worker-owners are making good suggestions, and Knell feels that the team approach is catching on. Knell is confident that more of the employees will buy in. His enthusiasm is probably justified because the new owners ended their first year with a healthy surplus to divide.

The Nelco conversion raises some important issues for industrial buyouts in Canada. The Canadian labour movement has fought for the basic rights of all workers to have complete health care, indexed pensions, unemployment insurance and decent working conditions. Co-operative organizations would do well to ensure workers that workplace democracy need not conflict with the hard won rights of the labour movement.

*Judith Brown and Jo-Ann Hannah are doctoral students in Community Psychology at the Ontario Institute for Studies in Education, 252 Bloor Street W., Toronto, Ontario M5S 1V6 ♦*



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Luc Labelle, CDR M+L

*In September 1988, the Montreal Regional Development Co-operative (CDR) launched an innovative program, Campus Co-operatives Canada, to channel entrepreneurial talents into the development of worker co-operatives. In the following interview the director, Luc Labelle, discusses Campus Co-operatives.*

### **How is the program put together?**

We create teams of up to 10 entrepreneurs. They work together following a precise timetable for start-up. This approach is important because it instills team spirit in these young entrepreneurs. Campus Co-operatives can break the "lone cowboy" syndrome which leads many private entrepreneurs to their downfall. The synergy between the entrepreneurs and their projects and the sharing of experiences throughout the various phases of the program benefits them all.

Such a program optimizes the chances of success and shortens development time. It links basic counselling for start-up and development with

## **Montreal resource group launches innovative approach to development**

**An interview with  
Luc Labelle**

(Translated by Julia Berry)

technical expertise. It is really an intensive program which allows young people in particular to start a successful worker co-op. Anyone interested in starting up a co-op business in any economic sector can apply. Ten entrepreneurs are then selected to work on the project.

### **How are entrepreneurs selected?**

It is not necessary to be a born organizer or a super salesperson. Nor is it necessary to have begun a study of the project or the elaboration of the business plan. One has to have some idea of the likelihood of success and of business objectives. The entrepreneur has to see the link between profit and participatory management. In a co-operative business the risk and the profits are shared. Until a project obtains its own co-operative charter, it benefits from our legal status and this can continue beyond the six months of the pre-operational phase.

Campus Co-operatives will pay the salary of each of the entrepreneurs for the duration of the pre-operational phase. This is an important



Members of the M+L CDR (L to R) Pierre Allard (General Manager), Mare-Andre Leboewf (Director of Co-op Service Department), Alain Mitchelson (Computer Consultant), Luc Labelle (Development Director).

advantage because it allows the entrepreneurs to devote all their time to the project. Finally, Campus Co-operatives will invest some capital in the new enterprise. This capital does not take the place of other sources of financing but rather completes the financial plan.

#### **Are there other important elements?**

In addition to a complete six month program, the concept includes the following elements: the young entrepreneur's salary, financing for the pre-operational phase and the legal arrangements (or co-ownership between CDR and the entrepreneur). We have given Campus Co-operatives an incubator role out of which the co-operative business is born but its identity and its development still require further support. In this phase the business is operating but it is legally and financially dependent on Campus Co-operative.

#### **What lead you to start up Campus Co-operatives?**

We have been working for four years as consultants specializing in the start up of worker

co-operatives. The Quebec CDRs have acquired expertise that is now known not only in Montreal but also throughout Quebec. Our experience has allowed us to see that there are essential ingredients for guaranteeing the success of a new co-op enterprise. They are numerous and not always easily obtainable. I'm thinking of the time and resources necessary to develop a business plan, the preparation for the start-up and development of a business, the capital required to test the market, etc. In addition, because of the legal requirement for a minimum of three members for a worker co-op, the Montreal CDR could not help out several organizers of small business enterprises.

#### **Where did the Campus Co-operatives idea originate?**

For several years the Montreal CDR has been in touch with the Confederation of SCOP in France. This summer we went to France to evaluate the program and we concluded an agreement to collaborate with Campus Co-operatives France while adapting the concept to the Quebec situation. Joining Campus

Co-operatives means joining a network of creators of worker co-ops. After the program we keep in touch and continue to watch over them.

**Is this concept workable in large urban centres?**

Yes, projects can be organized in any area using Campus Co-operatives techniques. One can build around local resources or around a high-tech project. The formula adapts itself to all communities and so Campus Co-operatives is being called to set itself up in more and more countries. It is a very popular innovative concept so the idea should spread rapidly in North America.

*For more information Luc Labelle can be contacted at the Montreal CDR, 3514 Lacombe Ave., Montreal, Quebec H3T 1M1; (514) 340-6022. ♦*

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## From the corporate world to worker co-ops

### Marty Donkervoort's determined struggle

*Marty Donkervoort entered into Canada's worker co-operative network with an unusual background: extensive experience in business planning and management at Northwood, a subsidiary of Noranda, and an education that included an MBA and a forestry degree. He committed himself to parlaying that experience into assisting worker co-operatives with their business planning. With a strong conviction about the value of worker co-operatives as viable alternatives and with confidence that there was a need for someone with his skills, Donkervoort took the leap and made a full-time commitment to Co-operative Work, a Toronto resource group that he had a major role in creating.*

*Four years later he has concluded: there is a lot to do, but the earnings from fee-for-service consulting for worker co-ops are meager. As a result he is broadening out. Through his own company -- Coady Consulting -- he will do business planning for the non-profit sector, though also being available to assist worker co-ops when appropriate contracts come along.*

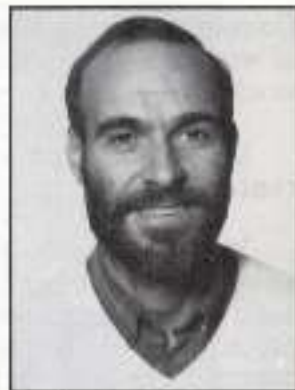
*In the following interview with Worker Co-op editor, Jack Quarter, Donkervoort reflects upon his experience of the last four years.*

#### **Why did you jump from the corporate sector to worker co-ops?**

I had been disillusioned with the corporate sector and unhappy with my complicity in it for some time. At a conference about democratic management at Grindstone (Island, near Kingston, Ontario), I met Wes Hare of Twin Streams Education Center in North Carolina. Wes made the point that you cannot have democratic management without worker ownership. That



Marty Donkervoort  
Before



After

simple idea made a lot of sense to me. It prompted me to investigate the area of worker co-operatives.

#### **You tried hard to promote Co-op Work's services. Why weren't earnings from fees much higher?**

There's a real lack of demand for our services in Ontario -- a reflection of the status of worker co-operatives in this province. In addition there was a lack of ability to pay for our services by groups that were interested in starting up.

Some people who start worker co-operatives want to be self-reliant and do it without outside support. The Big Carrot is a good example.

For the demand outside of Ontario, there is some pressure to use local resources as opposed to "experts" from Toronto. I can understand that point of view.

Some established worker co-operatives that could have paid for our services bypassed Co-op Work in favour of the Big Five consulting companies. They could afford to pay and apparently they felt that those companies were more competent.

I feel that Co-op Work is offering an appropriate and necessary service, but the time is not right for Ontario.

#### **Do you think that consultants for worker co-ops can survive without a government program?**

Because of the lack of clients and their inability to pay, consultants cannot survive only in the worker co-op sector without government funding. In Quebec the groupe-conseils (resource groups) are supported by both federal and provincial

funding. In Newfoundland and Prince Edward Island, the provincial federations of co-operatives with the aid of government funding are providing the development and technical services for worker co-operatives. In Saskatchewan and Manitoba development work was done directly by government employees.

To my knowledge, Co-op Work has been the only resource group without public funding offering technical services specifically to worker co-operatives.

### **What approach to development should be taken?**

I like the approach of the Montreal-Laval Groupe-Conseil which not only provides the initial technical services but also provides in-house management to worker co-operatives prior to startup and during the first 6-12 months that are crucial to success.

This level of support cannot be accomplished on a fee-for-service basis. Whether a resource group initiates development or simply reacts to a proposal from a group of workers, providing suitable management is fundamental to sound development.

### **Should resource groups be proactive in their approach to development?**

We should distinguish between a resource group and a consulting group. A resource group takes a proactive approach to development, whereas a consulting group takes a more limited, supportive role. There is overlap, of course. But for a consulting group to take on the development function without government funding is financial suicide.

**In reflecting upon your experience in Co-op Work, what advice would you give members of other resource groups?**

The differing levels of involvement by Co-op Work's members was an ongoing problem, specifically when for some people their sole livelihood was at stake.

### **What services should be offered?**

The services should include assistance with: legal issues, general business development,

organizational structure, human development and accounting. As I said, the availability of qualified management during startup is essential.

A community organizer to form the founding group for each worker co-op also is required. This is especially true for resource groups that take a proactive approach to development. Members don't just come out of the woodwork. Someone has to hustle them up.

### **What future do you see for the worker co-op movement in Canada?**

We are speculating, but I feel there's a great future and it can only get better. As people grow more disenchanted with their jobs the idea of working co-operatively should hold a lot of appeal. Gaining control over one's worklife should become increasingly popular.

People have to be aware that alternatives exist. General education about the availability of worker co-operatives is essential.

### **What does the future hold for Marty Donkervoort?**

To do independent business consulting predominantly in the non-profit sector, and to offer these services at affordable prices.

*For more information, Marty Donkervoort can be contacted at Coady Consulting, 88 Coady Ave., Toronto, Ontario M4M 2Y8; (416) 778-4744.*

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# Report recommends development strategy for worker co-ops

by

Albert Chambers

**Ottawa** -- Cabinet ministers responsible for co-operatives have been presented with a report recommending a worker co-operative development strategy for Canada. The decision to have federal and provincial officials prepare this report was taken at the third Ministers meeting in Halifax, June 1988 (see *Worker Co-ops*, Summer 1988, pp. 7-8).

The report's recommendations are grouped into three levels. First, governments across Canada will be encouraged to amend legislation and procedures that discriminate against worker co-operatives. Examples are: establishing statutes that recognize worker co-ops, improving the awareness of worker co-ops within the civil service and assuring that the fee to register a worker co-op is not higher than for other businesses.

At the second level, the recommendations include measures to provide for equality of treatment for worker co-operatives (e.g., Prince Edward Island's program for grants and loan guarantees).

At the third level, there are recommendations to finance resource groups and to provide other forms of financing and tax assistance. The recommendations at this level (referred to as proactive) are similar to those coming from the Canadian Co-operative Association's advisory committee on worker co-ops which is proposing that the federal government fund five enterprise centres.

The work on this report is being co-ordinated by the Co-operative Secretariat. Many provincial and territorial governments have expressed an active interest in the recommendations.



L. Alain Roy, Secretary of Committee, R. Ken McCready, Chairman of Committee

**Albert Chambers** is the Director of Government Relations at the Canadian Co-operative Association, 275 Bank Street, Suite 400, Ottawa, Ontario K2P 2L6; (613) 238-6711. ♦

## Feminist wins award

**Ottawa** -- Jan DeGrass, a Vancouver freelance writer and editor, is the 1988 winner of the Co-operative Business Article Award.

The award, sponsored jointly by Touche Ross & Co. and the Canadian Co-operative Association, was presented to Ms. DeGrass at the CCA September 8th annual meeting in Ottawa.

The winning article, entitled "Influence, not Power -- Women Working Co-operatively," says women are a true force for change in a co-operative sector "that cries out for more member commitment and the pursuit of social ideals."

"Women have not developed an alternative power structure," it says, "but are making use of an influence structure to create change."



The article also calls on co-operative organizations to nurture women-owned and managed co-operatives in concrete ways: by lending them money, consuming their products, and validating their goals within the co-operative community, among others.

In 15 years of co-op activity, Ms. DeGrass has been president of East End Food Co-op, a founding member of CRS Workers' Co-op (both in Vancouver), and was instrumental in bringing co-op and community business training programs to B.C.

*For more information, contact Myrna G.H. Barclay, Director, Education and Development, Canadian Co-operative Association, 510, 119 Fourth Avenue South, Saskatoon, Sask. S7K 5X2; (306) 244-3600. ♦*

## Newfoundland cleaning co-op holds its grand opening

by Jim Winter

**St. John's** -- The Household Services Co-operative, a domestic and small-business cleaning operation serving the St. John's-Mount Pearl area recently held its grand opening.

The five members of this worker co-operative have been struggling to free themselves from what a local reporter described as one of the worst work ghettos for women. For years these women worked as domestic cleaners and homecare workers, enjoying none of the normal employment benefits available to other workers.

With help from such agencies as the Roman Catholic Social Action Commission, the Women's Centre and the Federation of Co-operatives, this small group of dedicated women have formed their own co-operative business.

Their struggle to form a co-op was very difficult. Their initial efforts were supported by a small grant from the inter-church agency PLURA.

But when the need for proper start-up support arrived, every financial and funding agency they approached, from banks to CEIC and the provincial government turned them down flat.

Given that most government programs profess to be as open to applications from co-operatives as they are to any other business, it was frustrating to discover that when the crunch came no program seemed to be able to help. Job creation programs are more geared to providing direct salary supports than help for overhead or administrative costs. The co-op felt it important that the members work for their salaries rather than for a government cheque. The much lauded Atlantic Canada Opportunities Agency said that such a business, dealing directly with the public, was not eligible for help. Similarly, the provincial department directly responsible for

co-operatives, turned down the co-op because it was feared that support would constitute unfair competition in the local market. The Department appeared uninterested in what social value the project might have, or what favourable impact it might have on the members becoming independent of social service assistance.

With nowhere else to turn, the group came to the co-operative movement. Through the Co-operative Development Fund, low-interest loans were arranged for members' equity and start-up capital -- a true example of co-operatives helping co-operatives.

*Jim Winter is a development specialist with the Newfoundland and Labrador Federation of Co-operatives, The Co-operators, Crosbie Place, P.O. Box 13369, St. John's, Newfoundland A1B 4B7; (709) 726-9431. ♦*

## Inner City Housing Opts for Worker Control by Dana Weber

**Vancouver** -- One of Vancouver's oldest co-operative housing resource groups has recently restructured to vest complete control of the organization in its employees.

Inner City Housing Society was founded ten years ago as an outgrowth of the "Buy Back Kitsilano" movement, a citizens group which

successfully saved that Vancouver neighbourhood from highrise development in the early 70s. With participation and sponsorship from credit unions, the United Church and labour movement, BBK acquired and renovated existing housing stock for tenants who would have been displaced by redevelopment.

Later, activists from those sponsoring groups formed Inner City to promote and assist housing co-operatives, preserve family neighbourhoods and keep them affordable. Initially, the sponsoring groups provided Inner City with board members who were in turn accountable to the sponsors. But over time Inner City's links to its founders became increasingly tenuous; in recent years the Society's staff had begun to chafe under the control of a board who had no direct stake in the organization and who, as the society's only members, were accountable only to themselves.

In the last year, particularly, staff had been seeking changes in the organization which would give them the autonomy to diversify its activities. Said one staffer: "Federal support for co-op housing has been steadily declining and we feel we have to be searching out new sources of income. Our jobs are on the line. The board/staff structure (of a conventional non-profit society) seemed to inhibit that search."

Negotiations for a new structure were protected and discussions, at times, intense, but finally board and staff were able to achieve an amicable separation. Last November Inner City resolved to change its bylaws so that the Society's only members were its employees. The former board submitted their resignations and at a December meeting the staff collective elected a new board from among themselves.

The group did consider dissolving the Society and re-incorporating as a worker co-operative. But retaining the Society incorporation under changed bylaws seemed to provide for the smoothest transition to worker control with the fewest legal complications -- at least in the short term. For one thing, Inner City's non-profit dissolution clause may have prevented the transfer of the Society's assets to a worker co-op composed of its former employees.

*Dana Weber shares the B.C. desk for Worker Co-op with Melanie Conn and works as a co-operative educator. For more information he can be contacted at 1646 W. 7th Avenue, Vancouver, B.C. V6J 1S5. ♦*



## Alberta NDP backs worker co-ops

by George Melnyk

**Edmonton** -- A major policy paper titled "Community-Based Economic Development," adopted by the New Democratic Party of Alberta in December, 1988, has called for the creation of a Co-operative Research and Development Institute of Alberta. That policy paper also called for "a special program...to help with the costs of feasibility studies and other startup aspects for employees wishing to own their business co-operatively or for a business that wishes to restructure to allow greater employee participation." The New Democrats are the official opposition.

*For further information contact Bob Hawkesworth MLA Chair of the Economic Project, NDP Caucus, Legislative Bldg. Edmonton, Alberta. George Melnyk can be contacted at P.O. Box 3683, Station A, Calgary, Alberta T2M 4M4. ♦*



Bob Hawkesworth, MLA  
Calgary Mountainview

## Newfoundland bakery gets underway

by  
Jim Winters

**Bell Island** -- The Bell Island Bakery Project is finally operational. The Bakery which is a project of the Bell Island Community Development Co-operative, will employ five fully trained local bakers.

The project has been in the development stages for three years. The co-operative received funding in 1985 from CEIC to provide the training for five prospective bakers. The co-op spent the next year securing an appropriate piece of land on the island, upon which they could build their bakery. Application was later made to the Atlantic Canada Opportunities Agency (ACOA) for start-up funding.

Problems were encountered at first when the agency required 20 per cent member equity before it

could get involved. As the members of the co-operative come from the general population of the island and shares were set at \$10, the most that could be generated was around \$9000, well below the required amount.

The problem was brought to the Co-op Development Fund of the Newfoundland and Labrador Federation of Co-operatives who agreed to provide \$30,000 as equity participation. This was sufficient to satisfy the ACOA requirements.

*Jim Winter is a development specialist with the Newfoundland and Labrador Federation of Co-operatives, The Co-operators, Crosbie Place, P.O. Box 13369, St. John's Newfoundland A1B 4B7; (709) 726-9431. ♦*

# No News is Also News

by Margret Assmus

**Regina** -- The last six months has seen no new worker co-operative development in Saskatchewan. Many co-operators agree that the disbanding of the Department of Co-operatives and Co-operative Development last April has significantly contributed to this standstill. Whereas co-operatives used to have a whole department to promote and develop the sector, they are now limited to seven field personnel in the Co-operatives Branch of the Department of Economic Development and Tourism.

Despite sparse resources, the staff of the Co-operatives Branch feel optimistic about worker co-operative development in the upcoming year. It is felt that Saskatchewan's current trend toward "public participation", or privatization of Crown Corporations, presents the ideal opportunity to promote the idea of worker co-operation. The Co-operatives Branch staff is actively negotiating with the Department of Public Participation to ensure that when Crown Corporations are sold, rather than automatically selling the corporation on the open market, the employees are also given the option to buy the corporation.

The Co-ops Branch is also looking at other options to enhance co-operative development. For instance, the Branch is exploring the idea of setting up a Saskatchewan Co-operative Volunteer Assistance Network. If successful, the network would offer new and developing co-ops access to the expertise of retired co-operators. The Branch is also working with the Co-op Advisory Network, a group of ten representatives of major secondary and non-aligned co-ops. It is hoped that this group will successfully lobby the current provincial administration to reconsider its low level of support for the co-operative sector.

## New Resources

**Saskatoon** -- The Canadian Co-operative Association has just released its exciting new video *Co-operation Works*. This five-minute production

teaches high school teachers about co-operatives.

The video is one of a series of new resource materials for secondary school teachers produced through the CCA's National Schools Program. *Co-operative Entrepreneurship*, another in the series, is a set of lessons on worker co-operatives.

These materials are available through the CCA, 510-119 4th Avenue South, Saskatoon, Saskatchewan S7K 5X2; (306) 244-3600.

*Margret Assmus is completing her Master's of Continuing Education at the University of Saskatchewan. Her Masters project is on Crocus Co-op, a self-help co-operative for ex-psychiatric patients in Saskatoon. Ms. Assmus can be contacted at 1215 Robinson Street, Regina, Saskatchewan S4T 2N3. ♦*

## Co-op Sector Meets with Minister

by Ethan Phillips

**Toronto** -- Representatives of Ontario's co-operative movement (including worker co-ops) met with the province's minister responsible for the regulation of co-ops, Murray Elston. The leading item for discussion was the sector's proposals for amending the Co-operative Corporations Act of Ontario, including a section on worker co-ops.



Murray Elston, Ontario Minister of Corporate and Consumer Affairs

The new minister was apparently receptive to the sector's request that the amendments be introduced into the legislature as soon as possible. However, the sector is not holding its breath.

## Study on Worker Ownership Completed

The Government of Ontario's Industrial Restructuring commissioner -- established in response to the growing concern about plant shutdowns -- has completed Ontario's first study on worker ownership. It is hoped that the study will form the basis of a program that will assist in worker co-op development. The Commissioner has promised consultation with the sector before any action is taken.

## Worker Ownership Development Foundation

The Foundation's new video *Workers' Own* is on the market. The video which consists of entertaining interviews with members of Toronto area worker co-ops can be rented from the Foundation for \$5.00 (plus postage) or bought for \$50.00.

Work continues on the national Innovations project on worker buyouts. The Toronto portion of six research projects has been started; outreach to government, labour and other groups has begun; and there have been several initial contacts with possible worker buyouts.

## Worker Co-ops Meet

A number of Toronto area worker co-ops met in late January to discuss issues of common concern. It is hoped that the meeting will be the first of a series of information sharing sessions.

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

## Quebec Labour Federation Develops Worker Co-ops

by **Claude Carbonneau**

(Translated by Rosemary Oliver)

**Quebec City** -- After successfully organizing the conversion to a worker co-op of a privately owned ambulance company on the south shore of Montreal (see *Worker Co-ops*, Summer 1988, p. 14) a major Quebec labour federation, the CSN, has undertaken three other conversions in Quebec City, Maurice and the Montreal area. The CSN is the first labour organization in Canada to establish a resource group (groupe-conseil) to advise workers on the feasibility of creating worker co-ops. In the case of the ambulance conversions the co-operatives have acquired the permits and equipment of private operators. Technical assistance was provided by the CSN's groupe-conseil and financial aid came from the Société de développement des co-opératives.



Good news, Gentlemen... we've finally managed to make the workers redundant!

Tony Ellis-Randall, illustration and Frances Green (drawing)

## Major Forestry Investment

**Lac St. Jean** -- Seven Quebec forestry co-ops have become 29 per cent shareholders in \$60 million Normick Chambord sign factory. Opened on November 24, this factory is considered to be the most modern in North America with an annual production capacity of 400 million square feet.

## Co-op Receives Award

### LE THÉÂTRE PARMINOU

**Victoriaville** -- Théâtre Parminou, a Quebec actors' co-op, has received the prestigious PME award for 1988. Specializing in animation, Théâtre Parminou is considered to be among the most important theatrical groups in Quebec. It regularly tours the province.

## Federation Studies Obstacles to Development



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des  
coopératives de travail*

**Montreal** -- The annual general meeting of the Quebec Federation of Worker Co-operatives (November 26) focused on obstacles to worker co-operative development. Among the items discussed were: the indivisibility of the reserve; the tax rate on rebates; and the problems in sharing the increased value of the co-op. Recommendations were forwarded to the Quebec council on co-operation which is studying the capitalization of co-operatives.

## Member Education

**Sherbrooke** -- The University of Sherbrooke's Department of Co-operatives (IRECUS) has taken the lead in developing a member education program for worker co-operatives.

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

## Special Workshop

for

## Nova Scotia Co-ops

by Veronica Gillies

**Antigonish** -- Six Nova Scotian worker co-ops learned about formulating membership policies in a workshop sponsored by the Community Development Co-operative November 3. The workshop was directed by co-op educator Maureen Edgett, who had previously conducted three similar workshops.

Worker co-ops participating in the workshop included Umbrella Co-op and Future Forestry Services Ltd. of New Glasgow, Constructors' Co-op, Greenhouse Co-op and Salmonid Propagation Associates Co-op of St. Peter's and Eastern Evergreen Co-op of Antigonish. All of these co-ops have grown to the point where new members will soon be necessary if they are to continue growing.

Workshop members participated in a case study

## Self-help the Cape Breton Way

by Greg MacLeod



Peter and Lori Hough of St. Peter's, Nova Scotia, look on as Maureen Edgett makes a point at a membership policy workshop held recently at St. Francis Xavier University in Antigonish.

and a discussion of member recruitment. A manual given to participants included sample policies such as member education and equality, work organization, remuneration, benefits, member equity and meetings.

Edgett said, "I think it was very valuable for the workshop participants to share their experiences with each other."

**Veronica Gillies** is *Communications Assistant with the Innovations Project, St. Francis Xavier Extension, Antigonish, Nova Scotia B2G 1C0; (902) 867-2348.* ♦

**Sydney** -- A unique approach to providing affordable housing has been created in Cape Breton, Nova Scotia. A construction workers union (local 1115 of the International Labourers) and the Centre for Community Economic Development (University of Cape Breton) have gotten together to organize a construction company (Labourers' Development Company) which builds houses at relatively modest prices for its members. Houses are financed through a revolving loan fund which receives its revenues from 25 cent per hour deductions from each construction worker's pay cheque and from churches, religious groups and local businesses. Both the pay deductions and mortgage loans from the fund are interest free. The first house being built in Glace Bay will be acquired on a lease-purchase basis through payments of about \$300 per month for 20 years.

*The Centre for Community Economic Development (P.O. Box 357, Sydney, Nova Scotia B1P 6H2; (902) 562-2233) is providing office facilities, technical assistance and staff training for the project. More information is available either from the Centre or from the Cape Breton Labourers' Development Company, 436 George Street, P.O. Box 357, Sydney, Nova Scotia B1P 6H2; (902) 562-8849.* ♦



Lucie Marie Boudreau has managed Chéticamp's Co-operative Artisanale for 15 years

When Edna Poirier was growing up in Chéticamp, Nova Scotia, nobody dared say anything bad about "the co-op" around her father. "I think you could say something about the priest before you could say anything bad about the co-op," she chuckles.

Such dedication is common in Chéticamp, a thriving little Acadian community on the Gulf of St. Lawrence, where co-operation is a way of life for its 3,500 residents.

"Often, whole families belong to a co-op," says Laurette Deveau, managing director of the local co-op council (Conseil Co-operatif Acadien de la Nouvelle-Ecosse), made up of the managers of Chéticamp's seven co-ops. "If you're a fisherman, you can belong to the fishermen's co-op. Your wife might hook rugs for Co-operative Artisanale. More than likely, you'd buy your groceries or hardware at the consumer co-ops. Or your children could deposit money on Wednesdays when staff from the credit union go to the school. It's hard to find anybody in the village who's not in a co-op, unless they're a newcomer."

### Co-op Artisanale

It is in this supportive environment that one particular co-op has flourished. This year,

## From Rugs to Riches: Co-op Artisanale After 25 Years

by Veronica Gillies

Co-operative Artisanale celebrates its 25th anniversary as a worker co-operative. Though it has successfully branched out into other activities over the years, the mainstay of its operation has always been its beautiful hooked rugs made by more than 250 women in the community.

That's a far cry from the 1920s when wool rugs were made only by a small group of wealthier women. More common were the "rag rugs" made from cut-up strips of material, which were often exchanged for flannelette sheets or other household necessities.

With the establishment in the 1930s of the Cabot Trail and two businesses (by Marie Aucoin and Marie Lelievre), Chéticamp hooked rugs were sold to the increasing number of tourists. It was around this time that Lillian Burke, an artist from New York, came to Chéticamp and saw the rugs. She went from house to house encouraging the women to improve the quality of their rugs by trying different patterns and dyeing the wool in muted shades. Although meeting her high standards of quality meant hard work, it resulted in a lot of orders for New York customers.

### Co-op formed

It was partly in an effort to maintain this



quality that Co-operative Artisanale was formed in 1963. "Mrs. Burke was gone," says Luce Marie Boudreau, a founding member and the co-op's manager for the last 15 years, "but the rugs still sold well. By organizing, we thought we could maintain better quality, as well as get better prices and become more well-known."

After capacity crowd meetings in the Acadien Centre and organizational help from the St. Francis Xavier Extension Department, 15 women eventually formed the co-op in 1963. With an \$800 loan from the local credit union, they bought the old firehall and had a storefront added by a husband of one of the members. At first, members worked for next to nothing. They had bake sales and card plays to raise money for the co-op. "All the members were really active," says Boudreau. "They made it clean and attractive without costing a lot of money."

Finding new markets was the biggest challenge in the beginning. The situation was helped somewhat in 1965 when their rugs were displayed in other parts of Nova Scotia by the provincial Department of Trade and Commerce. The co-op became even better known in 1975 and 1976, when the provincial Department of Development provided free display space and half of the travel expenses to attend bi-annual gift shows in Toronto. At the first show alone, Co-operative Artisanale took \$20,000 worth of orders.

### Historical museum

Although sales were a priority, the members felt it was important to document the history of Acadian rug hooking and weaving. With a provincial grant in 1967, the co-op was able to establish a museum that demonstrates, as well as

records, the techniques of past Acadian artisans. But history did not stop there. The co-op built an addition to its building in 1970, to which it moved the museum. A cafeteria was added two years later and was enlarged into an Acadian-cuisine restaurant in 1986 when the co-op bought the adjacent property. Because that is now too small, Boudreau thinks it may be necessary to make another addition.

Since 1980, when the Co-op Council was formed to rescue the troubled fishermen's co-op, help is available to solve problems. "It's nice to feel the council is there," Boudreau says. "There's always things that happen that we have to fix and there's always things I don't know as a member. If it's something they can do, they will share in our trouble and try to do the best they can."

Last year, Co-operative Artisanale employed 28 people and did \$379,000 worth of business. On a typical summer day, as many as eight tour buses stop at the shop, full of tourists anxious to see the hooked rugs of Chéticamp. The co-op no longer needs to attend the Toronto gift shows to get business. It has plenty of regular customers who order by mail -- throughout Canada, the eastern United States and internationally.

"The co-op seems to be something out of this world," Boudreau says. "I was talking to one of the ladies who started in the co-op with me -- now she's retired and walks with a cane. But she said, 'I can't believe that it's 25 years since we started this little co-op. It is really hard to believe what a group can do in 25 years.'"

*Veronica Gillies is a communications assistant with the Innovations Project, St. Francis Xavier Extension, Antigonish, Nova Scotia B2G 1C0; (902) 867-2348. ♦*

# Italian Worker Co-operatives in League with Trade Unions

by Bob Schutte

The largest co-operative federation in Italy is the Lega Nazionale delle Cooperative e Mutue. Upon its 100th anniversary in 1986, the Lega's members included over 1,700 worker co-ops.

The "reds", as the Lega federation is sometimes called, were historically allied with the Socialist Party, and now claim support mainly from the Communist, Socialist and Republican Parties. The Federation was made illegal during the fascist period from 1922 to 1945. If you care much about anything in Italy, it's political.

Today, the Lega continues the difficult struggle for growth in the worker co-operative sector. Only about five to six per cent of all worker co-op proposals studied by the Lega are starters. Much of the action takes place on Italy's industrialized northern plain, in the regions of Lombardy and Emilia Romagna and their principal cities, Milan and Bologna.

## Government programs

A new program known as Altissimo de Micalese became law in 1986 and provides for a worker co-op development fund to be administered by a board of representatives from government, co-operatives and trade unions. The new 5,000-million lire fund, according to Lydia Lome of the Lega, is "a good start, but it won't change the world. Competition is fierce in the Italian economy and it takes about 100 million lire to create the average new job."

Italy also has an unemployment insurance fund which pays laid-off workers up to 90 per cent of their previous wages for periods of two to five years, depending on the region. A problem with this program is that many "temporary shutdowns" have ended up as permanent closures and much government money was being spent to keep workers idle. The Marcora proposal, endorsed by CISNAL (United Italian Labour Federation) in 1983 with the backing of the co-operative federations,



Cooperativa Ceramica D'Imola, founded in 1874, produces paving tiles and ceramic cooking and tableware and creates jobs for 552 workers.

would see some of these funds used to help unemployed workers buy shutdown plants or start new worker co-operative enterprises.

Italy's three big trade union federations are also involved to varying degrees with worker co-operative development. The most active and committed of the labour federations is CISL (Confederazione Italiana Sindacati Lavoratori), which was originally affiliated with the Catholic-oriented Christian Democratic Party, but now claims broad political support. The CISL is Italy's second largest trade union federation, with about 3 million workers. CISL created its own organization, called CENASCA, in 1962 to assist worker co-op development. In 1984, the Milan regional office of CENASCA also set up a special



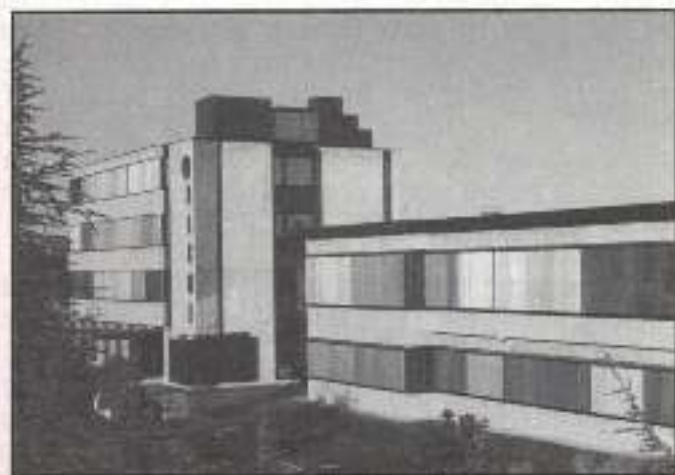
unit Development Centre), with a mandate for job creation and promoting a vision of self-management in worker co-ops. The CSG's "Guide to Co-operation and Self-management" states: "the trade union can make a fundamental contribution to the co-operative enterprise, favouring real participation, negotiating for better politico-legislative conditions, and finally, protecting labour in co-operatives."

### Innovative approach

An experimental CISL program aims to eliminate specialized "management" thereby breaking down the distinction between manual and mental labour in the co-operative enterprise. The practical motivation driving many participating worker co-ops is to lower management costs.

Worker co-ops that join the self-management project expect to be involved for up to eight years. Workers in such co-ops get time off for practical training in business management while continuing at their regular jobs. Some may elect to take intensive one to two year management courses set up by the unions and local governments. Upon graduation, they are expected to teach their new skills to co-workers.

According to Ms. Torchi, a union organizer in Bologna, "In the bigger firms, the two roles (management and labour) are separated, but still, more democracy is reached through the full participation of all workers in every decision." What will be



SACMI (Co-operativa Mechainel Imola) founded in 1919, employs 433 workers, and produces machinery and systems for the production of ceramic and refractory materials.

learned of the problems of self-management in this project will contribute to workers' participation in all worker co-operatives.

**Bob Schutte** is a director of *Co-op Work Consultants*, 348 Danforth Avenue., Toronto, Ontario M4K 1N8; (416) 461-7371.

### Editor's note:

*It is estimated that Italian worker co-operatives have \$5 billion (U.S.) of sales (10 per cent from the building sector) and have created 240,000 jobs. About 60 per cent of worker co-operatives are affiliated with one of three federations (Lega, Confederazione or Associazione). The remainder are non-affiliated. Over the past 15 years it is estimated that the number of new worker co-operatives has increased by 20 per cent each year.*

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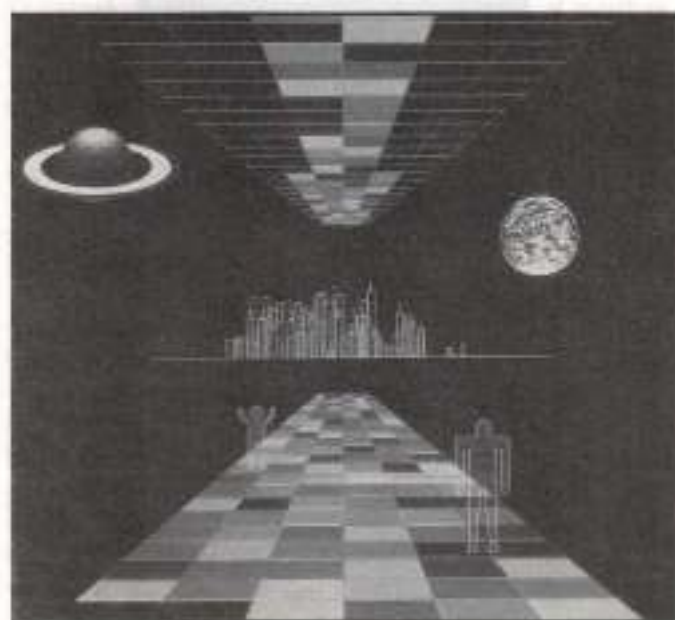
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# Mondragon's Success Inspires Basque Government to Plan Co-operative Commonwealth

by

Warner Woodworth



A year ago I was one of a small group of North Americans to participate in the Second World Basque Congress. Only now are the seeds of those meetings beginning to bear fruit. Some three decades earlier, in 1956, the Basque government-in-exile held its First World Congress. At that time Basque nationalists were severely disillusioned, having suffered the oppression of Franco's dictatorship, the tensions of World War II, the decline of Basque culture, and intense political and labour conflicts. The drive for nationalism had been met with overwhelming Spanish military power, forcing the Congress to be held in Paris, a safer haven for Basque leaders.

For the 1987 congress there were 35 different sub-congresses attended by 10,000 people over a four month period. In San Sebastian sessions were held on Basque language, nutrition, medicine, artificial intelligence, and economics. Sessions in Vitoria included urban society, law, women's issues, Basque rights, environmentalism, and industrial systems. In Bilbao congress meetings focused on education, telecommunications, new manufacturing technologies, history, and the Basque future in the 21st century.

## Focus on Co-operatives

Of particular interest was the emphasis on economics and co-operativism. The context for this theme is a grim picture facing Basques in Northern Spain. The armed organization of ETA has resulted in the flight of most foreign investment. Even among Basque industrialists there has been a move to invest outside the Basque country because of threats of violence and to avoid paying a revolutionary tax. Many old Basque firms have closed in recent years, deemed obsolete in the face of new competitors and advanced technologies. Unemployment hovers around 22 per cent.

It became very clear at the congress that the Basque government is making worker co-operatives "the primary engine" in the drive for economic growth. There was an emphasis on transforming the existing society to one of more co-operation; to creating a society run by the working class; to revitalizing Basque language and culture. The call went out to collaborate in mounting a major effort toward Basque national reconstruction.

Mondragon is widely touted as the community ideal since it has shown such impressive economic results. For example, the Mondragon co-ops have created over 5,000 new jobs in the 1980s while the

Basque country as a whole has suffered the loss of 60,000 jobs. Within the Mondragon system unemployment averages less than one per cent, a sharp contrast to the surrounding region. Mondragon is a major force in the preservation of Basque values through its League for Education and Culture, its numerous schools, and its efforts to restore the Basque language.

### Mondragon Not Utopia

However, not all speakers at the congress advocated Mondragon as a utopia of sweetness and light. Goldo Gorrostitiaga of the University of the Basque Country argued that Mondragon has suffered considerably through the recent crisis of capitalism. He was concerned about the loss of income in recent years, and the exit of many managers and engineers who have joined the private sector in Madrid. What is needed, he suggested, is a new approach -- new principles, new methods, such that the old system of Mondragon will serve merely as a reference point. Mondragon needs to help, and it can help, transform existing society by working with other groups to build a new Basque nation.

On the other hand, Jose Ormaechea, who was one of the five founders of Ulgor, Mondragon's first co-op, pointed out that Mondragon has survived, indeed thrived in recent years. Agreeing that, "we have to adjust to reality," he pointed out that Mondragon has not followed conventional economic practices. While sustaining financial losses in many firms, Mondragon repositioned workers in other co-ops, trained some for new jobs, and provided unemployment compensation for people in a standby situation until they could be transferred to other work. Of 20,500 jobs currently, only 46 individuals have no work and many of them suffer from physical impairments. "Solidarity is now more firm than ever."

Other observers noted that while some Mondragon firms have not succeeded in making their payments to the Caja Laboral Popular (the Working People's Bank), the bank has supported them. In fact, one of the co-ops in Navarra had not enjoyed a profit since its inception 14 years ago, but the Mondragon group carried it all this time because the town's economy was so poor. Finally, it now appears as though the Navarra co-op can function more independently.

It should be noted that the Mondragon system created over 900 jobs in 1987 but not a single new

co-op. The current emphasis is on job expansion, not more co-ops.

### Co-operative Economy

So representatives at the congress, while debating details, generally agreed that a regional co-operative economic strategy ought to be the centerpiece of Basque government policy. While Mondragon has achieved remarkable success, there are many other unheralded co-operatives in the region that deserve to be studied, possibly emulated. Examples are some 1,574 co-ops in Northern Spain, with 250,000 members out of a population of one million residents. Calls were made to get more information about them, and Basque officials were given the task to promote and to work with them.

Recently the Basque government passed a Co-operative Act which mandates a new social economy. A high council of co-ops has been formed to co-ordinate co-operative interaction and promote Basque industry and products. The council structure consists of 10 representatives from various co-ops, two from Basque universities, and three Basque government officials. Mondragon has representation on the council as do other co-ops, including several recent buyouts of conventionally owned firms in Spain.

All in all, the Second World Basque Congress succeeded in defining important issues facing the autonomous region. The current pace and extent of political and economic change in Europe, and worldwide, suggest formidable challenges. With most of Europe tilting to the right of the political spectrum, can an expanding co-operative economy in the Basque country succeed in tilting to the left? With an apparent shift in contemporary society toward individualism, Basque values emphasize the group, the collective good. A major question is: can it survive and thrive in such a context?

**Warner Woodworth** is a professor of organizational behavior, Brigham Young University, Provo, Utah, U.S.A. and co-author of *Industrial Democracy* (Sage, 1985). ♦

## **A Preface to Economic Democracy**

**by Robert Dahl**

**Published by University of California Press, 1985,  
184 pp., \$11.55**

**Reviewed by George Melnyk**



Dahl's purpose is to determine "whether it would be possible for Americans to construct a society that would more nearly achieve the values of democracy and political equality... by reducing inequalities originating in the ownership and control of firms." He concludes that it would be possible, though he never suggests that it is likely.

By limiting himself to what is theoretically possible, Dahl has produced a nice intellectual piece to be admired by colleagues and graduate students, but which is of little use for practitioners in the trenches, unless of course they are enamoured with political philosophy and feel that workers will rise eagerly to its bait.

### **Philosophic Treatise**

Dahl begins by showing that the principle of equality is not incompatible with the principle of liberty. Since Americans have traditionally associated economic equality with lack of political freedom (as in the Soviet Union), his attempt to reconcile the two is important.

Using Alexis de Tocqueville's 150-year-old Democracy in America as a jumping off point, Dahl concludes that political democracy and economic equality are perfectly compatible and that the onset of authoritarianism is not the result of democracy in the workplace. In fact he thinks that political democracy will be enhanced by democracy in the workplace because it will "reduce the adverse

effects on democracy and political equality that result when economic liberty produces great inequality in the distribution of resources and thus, directly and indirectly, of power."

He states that the current capitalist mode of ownership and control of economic enterprises results in vast differences among citizens in income and access to power. He also says that bureaucratic socialist systems that are hierarchical produce the same results.

What he wants is "an extension of the democratic process to economic enterprises," and he is not afraid to deal with objections, such as the constitutional rights to private property, which are raised against this objective. He claims that the fundamental right to self-government is more important than the right to unlimited acquisition of private property

### **Worker Ownership**

Dahl proposes that America develop a system of economic enterprises, collectively owned and democratically governed by all the people who work in them on the basis of one-person/one-vote. He calls for equal citizenship rights on the job. He goes on to analyze various existing forms of self-governing enterprises (Mondragon, Yugoslavia) and using the arguments of David Ellerman, opts for co-operative ownership.

Dahl's treatise is just that -- a proposal. It offers

a sophisticated philosophical argument for those seeking ammunition for the cause of worker ownership, but it does not deal with the nitty-gritty of process, of how to get from here to there.

There are limits to the practical uses of his book. Since the information it provides on existing models of worker ownership is generally known to those interested in this field, he adds nothing new here. The philosophical argument over equality and liberty that occupies the first half of the book may be brilliant, but it could put the average person to sleep. This book may be an intellectual feather in Dahl's cap, but for the activist working to develop worker co-ops it is only a footnote.

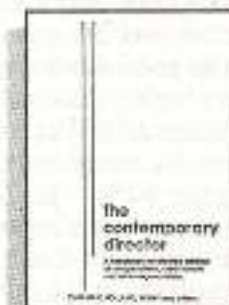
Books such as Dahl's raise an important issue about the role of intellectuals in molding and advancing a social movement such as worker ownership. Without ideas no movement can exist, but if ideas are all that the movement creates then it

has not come into its own. We have to be watchful that the worker ownership movement does not become primarily a producer of words. Words have their honoured place in social movements, but when words are their main product we should become worried.

It is a pleasure to see a mind as insightful as Dahl's arguing for worker ownership and a grand restructuring of American business, but one can also come away worrying that this is all a bit esoteric. Dahl's book is an intellectual tour de force and a virtuoso performance for whom the appreciative audience is limited.

*George Melnyk is a writer and activist who is author of **The Search for Community (Black Rose)**. He can be contacted at P.O. Box 3683, Station A, Calgary, Alberta T2M 4M4.*

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## WORKPLACE DEMOCRACY: THE POLITICAL EFFECTS OF PARTICIPATION

by  
Edward S. Greenberg, Cornell  
University Press,  
1986, 257 pages.

Reviewed by David Laycock

Most of us have an emotional and ideological stake in believing that workplace democracy has a positive effect on the political and social attitudes and behaviour of its participants. Many of us believe that these effects include development of support for democratic, egalitarian and anti-capitalist institutions, and that even isolated democratic workplaces are the seeds of a new social order animated by democratic and egalitarian values.

Most of the writing about workplace democracy in North America over the past two decades has given us reason to hope that these beliefs are well-founded. As a consequence, most of us will be temporarily depressed about the conclusions Edward Greenberg draws from his extensive studies of worker-ownership in four well-established plywood co-operatives of the Puget Sound area of Washington state. However, we should resist any initial temptation to discount his findings, since he has much to teach us.

Greenberg presents and pursues his objective clearly and systematically: he tests the "democratic Left's" long-standing contention that workplace democracy can decisively shape the political orientations of its participants in an activist and progressive, perhaps even socialist direction. Greenberg concisely describes the different elements of this tradition, from Marx to G.D.H. Cole to Carole Pateman and Branco Horvat, and carefully guides the reader through his survey-based tests of the many assumptions linking support for workplace democracy and democratic socialism. His comparative reference to studies of the Mondragon, Israeli Kibbutz and Yugoslavian experiences with workplace democracy is very revealing, and was clearly instrumental in his selection of survey questions for

worker-owners in these plywood co-ops.

Thus when he reports his findings on their attitudes towards their peers' abilities to make decisions about shop floor activities, or their support for the welfare state, or their participation in "normal politics", his results confirm or call into question the conventional wisdom of the democratic left and its academic proponents. His authority on these matters is aided greatly by comparison of co-op workers' responses to those of unionized workers in conventional plywood firms in the same region.

At a simplistic level, we can divide Greenberg's findings into "good news" and "bad news". The good news is that his second and third chapters provide a wealth of evidence to support the contention that "ordinary working people are capable of managing the business and production aspects of complex, modern industrial enterprises and in a way that has resulted in stability and prosperity in an industry characterized by instability and hard times," and do this following "democratic, egalitarian and non-hierarchical principles" in a country hostile to such workplace principles (p. 170). Greenberg shows that these co-ops' workers regularly volunteer and implement imaginative solutions to production problems, often with only one-third the supervisory personnel of their counterparts in conventional plywood firms.

The author also demonstrates that these co-op workers not only gained a broad knowledge of production and business affairs in the plants, but used this to good advantage in keeping boards and managers highly accountable for their decisions. Wide diffusion of relevant information, extensive participation by members in annual general meetings (averaging 92% - p. 52), and keen competition for board positions among those still working "on the line", combined to produce genuinely democratic workplaces at the operational level. The "direct democracy" of shop floor consultation, flexibility and innovation in the plywood co-ops are the key to a vibrant and meaningful form of representative democracy in the overall business affairs of these co-ops. According to Greenberg, these factors were decisive in reducing PWC workers' alienation from control over their products and resulting "surplus", and alienation from decision-making processes within the enterprise. The best news, then, is that these worker co-operatives have achieved levels of democratic governance and "dealienation" virtually unheard of in American industrial capitalism.

The bad news begins at the point we might logically begin to look for encouraging evidence that the

changed relations of production would foster both a rejection of the capitalist market ethic, "possessive individualism", and a search for social and political institutions consistent with democratic and egalitarian values. Greenberg measures the existence of two other dimensions of alienation associated with working life, and discovers that the co-ops' workers are just as alienated from the work itself as their counterparts in private firms. They are no less "appendages of the machine process" (p. 81), and no more likely to use a significant range of their abilities in creative and autonomous ways, despite the fact that many express frustrations about this in shop-floor and AGM discussions.

Further, and once again contrary to theoretical expectations, the plywood co-ops have the worst health and safety records in the whole of the American plywood industry. Not only do they see the work process itself as captive to technological imperatives, they are also willing to engage in "self-exploitation" through unsafe working conditions, because they wish to maximize their wages and are inclined to see health and safety as individual, not collective, responsibilities.

Perhaps equally disturbing are Greenberg's findings that these workers have not developed any stronger sense of their peers' capacities than their counterparts in conventional plywood firms, and that only a minority would recommend a co-operative workplace to others, or seek another co-op workplace in future jobs. "Clearly," Greenberg writes, the majority "felt no lifelong commitment to co-operation as a way of life or of a stable solidarity with their fellows" (p. 90). Participation in their own plants' affairs and decisions did not enhance their work satisfaction, and gave them no greater sense of self-esteem than their conventional counterparts. To theoretical proponents of workplace democracy, from J.S. Mill to Carole Pateman, these findings would be simply depressing.

The bad news gets worse as we move along the expected causal route from workplace democracy to participation in and attitudes about public life. After summarizing participatory democratic theorists' optimistic hypotheses about this route, Greenberg takes the reader through a careful discussion of his plywood co-op data and the relevant secondary literature on the cases of Mondragon, Yugoslavian self-management, and Kibbutz worklife. He addresses four claims of participatory democratic theory: "that workplace democracy encourages participation in other social institutions outside of the workplace; helps create citizens who are endowed with a sense

of their own political efficacy; increases participation in normal democratic political life; and creates a sense of political community and co-operation as well as a commitment to the public interest."

Greenberg finds that plywood co-op workers as a group are less active in other organizations than their conventional counterparts, although plant activists' experience led to broader public involvement in political affairs. He finds that co-op workers have no greater sense of political efficacy or "empowerment". He discovers that the co-ops' workers were more likely than their counterparts in conventional firms to express self-interested, possessive individualist values. This he attributes to the combination of their ownership stakes in the firms and their life in a culture which affirms only the self-interested, anti-community consciousness implications of such property rights.

These results are confirmed in Greenberg's data on the plywood co-op workers' lack of class consciousness and objectively conservative social and political attitudes, relative to both the theoretical expectation and the results for workers in the conventional plywood firms. A greater proportion of these co-op workers see themselves as middle class and Republican than their conventional counterparts. Significantly, the latter are unionized workers, while the co-ops' workers were non-unionized. Greenberg discovers no evidence that, by themselves, "democratic and egalitarian work settings...encourage discontent with prevailing political and economic arrangements." Experience in these co-ops has bolstered support for possessive individualist values, contrary to all widely accepted claims of the democratic left.

Luckily, the bad news is not without educational value, especially in Greenberg's capable hands. Throughout the book, but especially in the last two chapters, the author shows how much his challenge to the "conventional wisdom" on the democratic Left needs to be placed in comparative context. He compares his findings specifically to studies of the Yugoslavian, Israeli Kibbutz, and Mondragon experiences with workplace democracy. This valuable addition to his study demonstrates how surrounding political, ideological, cultural and economic environments shape the chances that plant level democracy will foster transformative democratic attitudes and practice in the public realm.

As the sole major instance of what he calls an "unmediated market-capitalist society," the American experience demonstrates that "without organi-

zational, political or ideological linkages between them, and with no resources to resist the logic of the market and the power of the capitalist state, democratic enterprises must move inevitably toward enterprise egoism and profit orientation." These enterprises may be better places to work, and feature egalitarian and co-operative work relations, but "the political spillover effects are either non-existent or contrary to the construction of a movement for democratic socialism in the United States" (p. 157).

Is there hope in other societies, or indeed within the United States, for positive "spillover effects" from workplace to public democracy? Greenberg argues that by far the largest factor in this equation is the likelihood that democratic and co-operative experience in the workplace finds resonance and support in the other institutions of state and civil society. Thus we can expect more positive spillover in Western Europe and, I would submit, Canada, where supportive networks, social democratic parties, and positive orientations to the achievements of the welfare state can give workers more positive attitudes before and during their experience of workplace democracy.

The logic of the capitalist market is not overwhelming in these societies; nor, however, is its pre-eminence being successfully challenged. Co-operatives, worker and other, will continue to struggle with the contradictory logics of profit maximization in competitive markets, on the one hand, and pursuit of social goals that challenge possessive individualist values, on the other. As Greenberg notes, the national co-operative associations of the Scandinavian nations have proved to be important parts of the networks supporting translation of workplace democracy into public and social democracy (p. 158). Under certain circumstances, the same could be true of Canadian co-operative associations, although fear of partisan identification and expected competitive market disadvantage has discouraged major efforts in this regard.

Greenberg does not deny the democratic or other virtues of worker co-ops. He contends that they must be part of the movement to democratize industry and public life in all industrial societies, and that in the USA, they are "virtually the only enterprises...that give ordinary working people the opportunity to practice the arts of self-direction, equality and democracy" (p. 171). Their achievements are disappointing only when judged by the optimistic standards of the democratic left, academic and otherwise. By realistic standards, those sensitive to context and the power of capitalist culture, the ply-

wood co-ops of Washington are impressive.

If there is any simple lesson to be drawn from this study, it is that enthusiasm and plans for workplace democracy must be tempered by realistic appreciation of the many obstacles to its success as a vehicle of social change. I must admit to being startled at the extent to which the expectations of G.D.H. Cole and Carole Pateman were unfulfilled in the plywood co-ops. Greenberg's close analysis of the case for workplace democracy, and inclusion of his questionnaires, will show readers how to ask many concrete questions about what they might do, or at least look out for, if they wish to link workplace democracy to democratic social and political movements. It is depressing to trade much needed enthusiasm for a dose of realism, but this can only serve to advance our common objectives. To any graduate or other student wondering about the political spillover effects of workplace democracy in Canada, I would strongly recommend application of an adapted version of Greenberg's survey and research methodology to selected Canadian worker co-operatives.

No review would be credible without some criticism, however trifling. I would have liked to see some attention to the political attitudes of workers in the large federations of worker co-ops in Italy and France. I suspect that these would show quite explicitly the value of "networking" and political/ideological support for extending the political effects of workplace democracy beyond the plant gate. These cases are more directly comparable to the plywood co-ops' case than the cases of Yugoslavian self-management and Kibbutzim, since they take place neither in socialist economies nor in communities that are almost enclaves within their society.

I was delighted to find a political scientist looking at the relations between workplace democracy and political life in a way that blends a comprehensive grasp of relevant theory with a revealing application of survey and quantitative research methods. To find the analysis well written, sensitive to crucial problems of democratic life, and accessible to a wide and non-professional audience, made me think I was imagining a book I wished I could write. It will be a tragedy if this study is not read carefully by worker co-op activists and supporters across North America.

reviewed by David Laycock  
Centre for the Study of  
Co-operatives



## Costa Rican Worker Co-ops

### Provide Hope for the Future

by Marty Donkervoort

Costa Rica is one of the smaller Central American countries situated between Panama to the south and Nicaragua to the north. It is a beautiful country with a small population of around two million people. It also has one of the highest per capita foreign debts in the world.

Agrarian reform in the early 80s spurred the development of worker co-ops which now total 120. Agricultural worker co-ops account for 35 per cent of the total, with service worker co-ops representing 32 per cent. There are also a significant number of worker co-ops in secondary industry and fishing. Women worker co-ops (17 per cent) are treated as a separate category since they are eligible for funding assistance from a different government ministry. The average size of worker co-ops in Costa Rica is 30 members.

Worker co-ops in Costa Rica are similar to those in Canada in that all worker-members have one share and one vote. All workers must be members with the exception of managers, technical and seasonal workers. There are some major differences, however. The minimum number of members required to incorporate a worker co-op is 12. Members shares are based on labour only and do not include any capital requirement. Only 54 per cent of annual surplus can be divided up among members; the remainder stays as common equity and as payments to various co-op organizations and government agencies.

#### National Development Group

A national worker co-operative development group called Comision Permanente de Cooperativas de Autogestion (CPCA) was started in 1982 to provide technical assistance, education and training, and financial support. Even though membership is voluntary, all worker co-ops in Costa Rica belong

because membership is required to qualify for loans. Upon dissolution of a co-op the assets would go to the Comision. The Comision is a quasi-governmental agency since it operates with government funding and administrates a loan fund set up by the government. It operates in the co-operative sector with close ties to Infocoop, a national association of all co-ops in Costa Rica.

Individual worker co-ops pay 4 per cent from their annual surplus to CPCA. Only 5 out of the 120 worker co-ops were able to make any payments in the past year due to operational deficits. As most of the worker co-ops are quite new and all were totally dependent on loan capital to start up operations, a large part of their annual expense is servicing their debts.

Underfinancing and inability to make loan repayments are the two interrelated problems for Costa Rican worker co-ops. More financing is required to improve operations so that the original loans can be paid back. Unfortunately new money is tight and worker co-ops do the best they can by working extremely hard and making personal sacrifices. The worker co-op concept gives individual worker-members hope for a future and some degree of control over their lives right now.

**Marty Donkervoort** can be contacted at Coady Consulting, 88 Coady Ave., Toronto, Ontario M4M 2Y8; (416) 778-4744. He was in Costa Rica as part of a project sponsored by CIDA and the CCA.



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Système d'information sur  
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utilisées au travail

Coopératives de travail actionnaires d'entreprises

## Capital et travail, vers un nouvel équilibre?



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Renseignez-vous auprès de votre employeur, auprès de l'agence provinciale ou territoriale responsable de l'hygiène et de la sécurité au travail, ou bien auprès du bureau de Travail Canada le plus près.

Canada



S.I.M.D.U.T.

Système d'information sur  
les matières dangereuses  
utilisées au travail

Workplace  
Hazardous Materials  
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NDLR: COURRIER publie les commentaires ou réactions des lecteurs qui font suite à des articles parus dans les numéros précédents et se réserve le droit de les abréger. L'auteur doit être clair et concis, signer son texte et donner son nom complet.

## Partenaire avec l'État?

**J**e voudrais, dans un premier temps, faire part de ma très grande satisfaction de voir naître ces nouvelles pages québécoises (françaises) sur les coopératives de travail.

Enfin des nouvelles de chez-vous, des points de vue, des commentaires, des analyses qui viendront enrichir, soutenir le travail, le quotidien des porteurs de projets.

Il ne nous restait plus qu'à pouvoir compter sur une version française des articles de Worker Co-ops pour avoir accès à l'expertise du reste du Canada. Ainsi, nous pourrions tirer le plus grand profit des efforts de tous, à développer collectivement ou autrement des entreprises rentables économiquement bien sûr, mais aussi socialement.

Dans un deuxième temps, je voudrais profiter de vos (nos) pages pour donner, à partir d'une pratique régionale, ma perception des conditions et éléments nécessaires au développement de ce nouveau terrain d'intervention qui est la coopérative de travail. Nouveau terrain si l'on fait exception des coopératives forestières. Tout d'abord, suite à la lecture de la première parution, il me semble important de rappeler certains éléments de la composante des CDR.

Il faut se souvenir que la période intense des créations d'entreprises coopératives correspond à peu de choses près, à la période où nous étions onze CDR constituées. N'oublions pas les régions de la Côte Nord, de la Mauricie, et des Bois-Francs, régions qui, sans être constituées, donnaient quand même des services. Souvenons-nous aussi que plus de la moitié des onze CDR furent constituées fin 1985 début 1986, et que c'est en octobre de la même année que le ministère de l'Industrie et du Commerce, par

la voie de son ministre, annonçait sa décision.

Le MIC décida de:

- 1- mettre un terme au programme des CDR qui devait durer trois ans et ce, après une année d'existence;
- 2- maintenir son appui financier à quatre CDR;
- 3- confier le mandat de développement des coopératives de travail à la Société de développement des coopératives; malgré les conclusions positives d'un rapport interne qualifiant le programme des CDR comme étant l'un des moins coûteux et des plus performants.

Pendant cette période, les CDR naissantes constituaient:

- 1- la table de concertation des CDR;
- 2- un membership de plus de 340 organismes de toutes les régions;
- 3- la naissance de 77 coopératives procurant 812 emplois;
- 4- 174 nouveaux projets pour un potentiel de 1570 emplois.

Ce qui, somme toute, n'est pas si mal pour des organismes n'ayant, pour les plus anciens, que deux ans d'existence et pour les plus jeunes, à peine quelques mois.

Malgré ce bilan on ne peut plus positif, ce sont quand même les dernières nées qui ont eu à subir les coupures. Aujourd'hui, malgré le manque d'appui financier du ministère de l'Industrie, du Commerce et de la Technologie, il subsiste encore trois CDR (Saguenay/Lac-St-Jean, Gaspésie et Lanaudière) qui, en concertation avec les quatre autres, continuent leur travail de développement et de promotion.

Ces quelques données devraient, à mon avis, permettre à quiconque un peu avisé de constater la vigueur, le dynamisme, l'engagement des groupes régionaux à maintenir cet outil de développement que sont les

CDR et les projets qu'elles portent.

Comment ne pas être enthousiasmé devant l'accueil réservé par les régions au programme CDR? Comment ne pas voir que la proposition de prendre en main nous-mêmes notre développement reflétait au plus haut point notre réalité tant sociale qu'économique? Dans une conjoncture de désengagement de l'État à titre de seul responsable du développement, une proposition de prise en charge par les milieux eux-mêmes avec l'État comme partenaire, fournit une très bonne garantie d'obtenir le maximum d'efficacité, de rentabilité d'action, de responsabilité.

Voilà sûrement une des raisons qui a fait que spontanément, ce sont les régions qui ont répondu à l'appel du programme CDR/ Groupe conseil et ce, malgré l'absence des grandes coopératives et les tergiversations du MICT autour des mandats à confier et/ou à la SDC et/ou aux CDR.

Un autre élément à retenir est sans contredit que le développement coopératif a toujours été et est toujours conditionné par les besoins auxquels il entend répondre. La coopérative repose essentiellement sur la volonté des individus et non du capital pour se développer.

Tant et aussi longtemps que ceux-ci n'éprouvent pas le besoin d'intervenir sur leurs conditions, il ne peut y avoir de coopérative et encore moins de coopération. Mais au contraire, dès que les volontés sont là, dès que la décision d'agir se prend, il n'y a pas grand chose qui peut l'empêcher de s'exercer. De tout temps, il y eut des hommes et des femmes qui ont cru que collectivement on pouvait faire plus qu'individuellement. C'est de cette essence qu'est née la coopération, qu'elle soit grande ou petite, et qu'elle continue de grandir.

Bien sûr, là comme ailleurs, le nouveau terrain d'interventions que constitue les coopératives de travail a besoin de soutien, d'encadrement, de références pour se développer le plus sereinement possible, et c'est là que le grand frère coopératif, dans la mesure des exigences de son propre développement et dans la mesure où il garde un petit souvenir des difficultés de ses premiers pas, peut jouer un rôle important.

L'autre intervenant est bien sûr l'État, qui a la responsabilité sociale de permettre, non pas des privilèges, mais des chances égales à tous ses concitoyens d'avoir accès à des conditions de vie décentes. C'est à l'État qu'incombe le rôle de ne pas laisser le développement se faire de façon anarchique. Il y a au Québec, une culture de justice sociale impliquant une gestion visant le plus grand ensemble. La formule coopérative de travail, les sommets économiques, les regroupements d'intervenants, observent le même souci de correspondre à cette loi du plus grand ensemble qui se veut la plus respectueuse de ses composantes.

Les CDR en région sont l'illustration vivante que leurs objectifs, leur réalisations et le développement des coopératives de travail passent nécessairement par une structure d'accueil, de promotion, de services, se rapprochant le plus de la réalité, de la volonté de son milieu immédiat, de sa région.

Pour développer un nouveau modèle d'intervention tel que celui des coopératives de travail, il faut de la part du grand frère coopératif au niveau national, au moins une préoccupation, et de la part de l'État, le soutien tant financier que législatif.

*Armand Lajeunesse,*  
Directeur général,  
CDR de Lanaudière  
non soutenue financièrement  
par le MICT

Le MAGAZINE

# COOP

de Travail

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## Coopératives d'investissements

## Peu répandues mais en plein essor

Nouveau modèle de développement, la coopérative d'investissement n'est pas reçue de la même façon par tous les coopérateurs de travail. D'ailleurs, même le terme «coopérative d'investissement» ne rend pas, selon plusieurs, justice à la nature globale de ces entreprises; on lui préfère le terme «coopérative actionnaire d'une compagnie» ou «coopérative de travailleurs-investisseurs». La coopérative d'investissement c'est en fait une coopérative de travailleurs qui, pour donner du travail à ses membres, détient une part du capital-actions d'une compagnie. Bien que les expériences de coopératives actionnaires d'une compagnie soient peu nombreuses et relativement récentes, elles sont néanmoins souvent présentées comme une formule des plus propices au développement de nouvelles coopératives. Pour mieux cerner cette réalité, COOP de travail vous propose le cas de l'usine Normick Chambord Inc. et des éléments de compréhension des principales argumentations des coopérateurs québécois sur cette question. Si vous avez des réactions ou des précisions à apporter sur certains articles présentés, profitez de la nouvelle page réservée aux lecteurs: COURRIER.

Le magazine COOP de travail appartient à tous les coopérateurs de travail du Québec. Il s'agit du seul outil de communication non-gouvernemental spécifique à la coopération de travail au Québec. Le magazine est encore très jeune et il vous appartient de le faire grandir. D'abord en exprimant vos idées dans la section COURRIER, ou en contribuant par des prestations liées au thème de chaque numéro. Mais le premier moyen de participer à l'effort de développement de votre magazine, c'est de vous abonner. S'abonner c'est nous aider à améliorer la facture générale et à raffermir la crédibilité des coopératives de travail du Québec.

C'est à vous de jouer.

Le comité d'orientation

# POUR OU CONTRE La coopérative de travailleurs-investisseurs

Fédération québécoise  
des coopératives de travail

«La Fédération québécoise des coopératives de travail s'oppose catégoriquement à toute forme de coopérative d'investissement coopératif lorsque la coopérative n'a pas en sa possession, au moment de sa création, le contrôle de l'entreprise ou, tout au moins, un protocole lui garantissant qu'elle le détiendra à court terme.» C'est en ces mots que monsieur Richard Messier, président de la FQCT, résume la position de cet organisme sur les coopératives d'investissement.

Si cette condition n'est pas remplie, la FQCT ne croit pas qu'une telle coopérative d'investissement puisse être considérée comme une coopérative de travail au sens de la loi, puisque par définition, les coopératives doivent avoir le plein contrôle de leur travail.

«Qu'est-ce que ça donne d'être une coopérative dans ces conditions?» demande monsieur Messier. Précisons ici que nous entendons par le mot *contrôle* non pas le fait de détenir 100% des parts, mais bien d'en détenir suffisamment pour contrôler les opérations. Monsieur Messier ajoute que «si elle ne détient pas le contrôle, une coopérative n'a aucun pouvoir de gestion, aucun pouvoir concernant l'engagement de nouveaux membres, etc. Elle n'a finalement qu'un droit à l'information. Nous pensons que c'est faire payer très cher aux travailleurs le droit d'avoir un représentant au Conseil d'administration de l'entreprise», conclut monsieur Messier.

La FQCT a identifié plusieurs problèmes liés à cette formule. Tout d'abord, la coopérative

d'investissement n'effectue pas d'opérations: elle ne fait qu'acheter des actions d'une compagnie et obtenir une plus-value de son actif en fonction de la valeur des parts. Or, selon la Loi des coopératives, quand un travailleur quitte la coopérative, il récupère l'argent qu'il a investi, sans plus. Les travailleurs qui se regroupent en coopératives d'investissement aimeraient bien entendu participer aux profits. Mais jusqu'à présent, toutes les coopératives d'investissement qui ont vu le jour étaient liées à des PME en voie de développement. Celles-ci n'émettent pas de dividendes, ou très peu, parce qu'elles ont besoin de capital pour faire du développement. Les travailleurs ne font donc pas de profits et la coopérative reste propriétaire des actions. Pour toucher la valeur de ces actions, la coopérative doit les vendre! On se retrouve face à un cercle vicieux, où le travailleur détiendrait des actions qui n'ont qu'une valeur théorique. Pourtant, l'argent qu'il a déboursé, lui, n'était pas théorique.

Par ailleurs, si la coopérative vend la totalité de ses actions, les travailleurs se retrouvent encore dans une impasse. La loi prévoit en effet le partage des ristournes, et non pas du produit de la vente d'actifs. D'une manière ou d'une autre, les membres auront de la difficulté à retirer des bénéfices de leur investissement.

Un autre exemple où les travailleurs pourraient être lésés, c'est dans le cas où ils détiendraient 20% des parts d'une entreprise, par exemple. Il suffirait au propriétaire majoritaire de se trouver un autre partenaire qui in-

Jean-Claude Guérard,  
Centre de gestion des coopératives (HEC)

La coopérative partenaire-le partage du profit

Dans l'entreprise capitaliste, le profit est partagé entre les actionnaires, sous la forme de dividendes ou de gain de capital issu des bénéfices non répartis. Lorsque l'un des partenaires, actionnaire de l'entreprise est la coopérative de travail regroupant les travailleurs de l'entreprise, devrait-on appliquer la même forme de partage du profit? La réponse dépend de la façon de définir le profit (voir tableau 1 ci-dessous).

Dans l'entreprise capitaliste, une gestion efficace cherche à ac-

croître le pourcentage de profits en diminuant le pourcentage des coûts par rapport aux ventes, tel qu'illustré par le cas 1.

Sous l'argument que le collectif de travailleurs, représenté par la coopérative de travail, est davantage un partenaire intrinsèque à l'entreprise qu'un investisseur, l'évaluation de la performance de la gestion et le partage du profit entre les actionnaires, dont la coopérative, devraient porter sur le profit par action de \$ 2,25

(suite à la page 5)

TABLEAU 1: Exemple

	AN 1	AN 2 (cas 1)	AN 2 (cas 2)
Ventes	1 000 000	1 500 000	1 500 000
	100%	100%	100%
Revenus des travailleurs-sociétaires	300 000	420 000	450 000
	30%	28%	30%
Autres frais	600 000	825 000	825 000
	60%	55%	55%
Profits	100 000	255 000	225 000
	10%	17%	15%
Profit par action (100 000 actions)	\$ 1,00	\$ 2,55	\$ 2,25

jecterait massivement des capitaux et le 20% des travailleurs pourrait bien ne plus valoir que 5% ... ou moins!

En fait, une telle formule revient, selon la FQCT, à fournir du capital à bon compte au propriétaire majoritaire de l'entreprise privée sur le dos des travailleurs. Ces derniers ont pour leur part l'illusion de participer, alors que leur participation est en fait limitée à la bonne volonté du propriétaire. «Pour nous», de dire Richard Messier, «cela ne correspond pas au principe d'une bonne coopé-

ratrice, qui veut que les membres puissent agir directement.»

Pour terminer, Richard Messier apporte la nuance suivante: «Dans le cas où il ne serait pas possible que les travailleurs détiennent le contrôle dès la création de la coopérative, cette formule peut demeurer valable s'il y a un protocole définissant très clairement la part des profits que les travailleurs vont obtenir. Le protocole doit également leur garantir qu'ils détiendront le contrôle dans un bref délai. Encore là, il faudrait voir les modalités.»

## André Viens, Coopérative de développement de l'Estrie

Depuis quelques temps, une nouvelle formule coopérative suscite l'intérêt: la coopérative de travailleurs-investisseurs. Pourquoi cette nouvelle formule de coopératives? Quelles sont les raisons qui expliquent la naissance de coopératives de travailleurs-investisseurs? Pour bien comprendre ce phénomène, nous devons d'abord nous référer

au contexte qui a permis leur apparition.

Nous savons qu'il est extrêmement difficile de démarrer une entreprise dans le secteur industriel. En premier lieu, l'investissement nécessaire à la réalisation d'un projet est souvent considérable, et de ce fait, difficilement à la portée de toute les

bourses. Pour ne pas perdre leurs investissements, les promoteurs doivent posséder de grandes qualités de gestionnaire, avoir le sens du développement, pouvoir assumer beaucoup de leadership et détenir une très grande expertise dans leur domaine d'activités. Si on a comme promoteur (seul ou en groupe) toutes ces qualités, qu'on a bien évalué son marché, qu'on a su s'entourer des bonnes personnes, on a alors de bonnes chances de réussir.

La dure réalité, c'est qu'on ne peut s'improviser du jour au lendemain promoteur et gestionnaire d'une entreprise. C'est une grande utopie de penser que nous pouvons créer systématiquement des projets coopératifs dans le domaine industriel avec un groupe de travailleurs comme seul promoteur.

Il est encore plus utopique de penser intéresser les promoteurs traditionnels ayant l'expertise et les capitaux nécessaires, au démarrage d'une coopérative «pure», pour employer une mauvaise expression. Il existe malheureusement très peu de promoteurs qui sont prêts à laisser le contrôle de leur projet en totalité à l'ensemble des travailleurs et de retirer, lors de leur départ, à peu près le même montant investi sans gain de plus value.

Cependant, les travailleurs peuvent s'associer avec des promoteurs compétents et mettre en commun leurs ressources et compétences respectives à la réalisation ou au développement de leur projet. La coopérative de travailleurs-investisseurs est une façon intelligente, pour un groupe d'employés, de participer à la gestion et de contrôler graduellement leur entreprise. En s'associant avec de bons promoteurs, les risques sont considérablement diminués et les travailleurs peuvent, au fur et à mesure, faire l'apprentissage des dures responsabilités d'être propriétaire. Par l'achat d'un pourcentage d'actions au sein d'une compagnie à capital-actions, la coopérative permet une participation collective à la propriété en mettant le pied doucement, mais sûrement, dans le secteur indus-

triel.

La question qui soulève beaucoup d'intérêt, est la suivante: la coopérative de travailleurs-investisseurs est-elle une vraie coopérative? C'est la même question et le même doute qu'ont ou plusieurs coopérateurs des secteurs traditionnels face à la coopérative de travailleurs ordinaire. Ce n'était pas comme leur coopérative; de vraies coopératives. Allons-nous voir resurgir cette même attitude face à ce nouveau modèle? Allons-nous répéter les mêmes débats stériles ou plutôt accepter cette nouvelle réalité?

En vérité, la vraie question se lit comme suit: les travailleurs d'une entreprise à capital-actions peuvent-ils s'associer ensemble en se servant de la formule coopérative pour contrôler minoritairement ou majoritairement la compagnie dans laquelle ils travaillent? Le mode de fonctionnement interne de ces coopératives est-il différent des autres coopératives? En ce qui nous concerne, nous croyons qu'elles respectent, au même titre que les autres, les règles d'action propres à notre mouvement.

Le monde coopératif est présentement en effervescence, nous n'avons qu'à penser au mouvement Desjardins, aux Mutuelles d'Assurances, aux Coopératives Forestières et d'Habitation, qui chacune dans leur secteur respectif, explore de nouvelles avenues qui donneraient, sans aucun doute, des sueurs froides à leurs fondateurs respectifs. La réalité nous oblige à évoluer et à découvrir de nouvelles solutions à de nouveaux problèmes. Toutes les coopératives qui innoveraient devraient-elles, comme les lépreux sous Charles VII, porter une clochette?

En terminant, nous pouvons affirmer avec conviction que la coopérative de travailleurs-investisseurs est souvent la seule façon pour un groupe d'employés de s'impliquer dans leur entreprise. Nous croyons également qu'elle correspond aux goûts, aptitudes et intérêts d'un grand nombre de travailleurs.

TABLEAU 2: Analyse de la performance de la gestion

Performance par rapport

- aux marchés
- à la diminution des autres frais
- à la diminution de la masse salariale et des avantages sociaux

Profit par action

\$ 1,50 (10% des ventes)  
\$ 0,75  
\$ 2,25 (cas 2)  
\$ 0,30  
\$ 2,55 (cas 1)

*suite de la page 4*

plutôt que de \$ 2,55 (voir tableau 2 ci-dessus).

Le contrat d'actionnaires entre la coopérative et ses partenaires devrait établir le pourcentage des ventes utilisé pour la masse salariale et avantages sociaux. Les gestionnaires, possiblement actionnaires de l'entreprise plutôt que sociétaires de la coopérative, devraient concentrer leur effort à accroître les ventes et à diminuer les autres frais.

Une telle approche nous conduit irrémédiablement vers le concept où la coopérative est un sous-traitant de l'activité de production à l'intérieur de l'entreprise, tout en étant un partenaire dans la détention du capital. Dans ce sens, l'entreprise pourrait verser un pourcentage des ventes à la coopérative qui elle, administrerait la masse salariale et les avantages sociaux des travailleurs-sociétaires. Un pas supplémentaire nous amènerait à donner à la coopérative la responsabilité de gérance de l'activité de production à l'intérieur de l'entreprise.

Lors de la constitution d'une coopérative de travail participant comme partenaire au capital de risque d'une entreprise, il faut négocier, lors du contrat

d'actionariat, les rôles, responsabilités et rémunérations des divers partenaires. La coopérative est plus qu'un actionnaire, elle est une partie intrinsèque de l'entreprise. Refuser une telle évidence conduira à l'apparition d'un paternalisme de mauvais aloi amenant les travailleurs à se dissocier de leur coopérative et à articuler leur revendications à l'intérieur du syndicalisme.

La coopérative de travail a comme objet beaucoup plus que de fournir du travail à ses membres. Elle se doit de les responsabiliser envers les besoins de l'entreprise et de négocier pour eux le partage de la richesse imputable à leur responsabilité et ce, dans une optique de transfert technologique. Si, à long terme, le travailleur-sociétaire reçoit moins que ce que recevrait le travailleur-syndiqué, il faut opter pour une structure syndicale plutôt que coopérative, quitte à ce qu'individuellement les travailleurs soient actionnaires de l'entreprise.

Le coopérative de travail, actionnaire de l'entreprise, n'a de sens que si elle est un véritable partenaire interne dans l'entreprise. Peu représentatif de cette réalité qu'est la coopérative partenaire, le terme coopérative d'investissement ou d'investisseurs devrait être banni du vocabulaire.



Normick Chambord

# Un cas majeur de coopérative actionnaire d'une compagnie

**M**onsieur Bertin Côté est directeur général de la coopérative forestière de Laterrière au Saguenay. Il est président de la Fédération des coopératives du Saguenay/Lac St-Jean. Il est administrateur de la Conférence des coopératives forestières. Il a été fondateur et président de ce même organisme pendant trois ans. Il est enfin administrateur de la Société de développement des coopératives.

*COOP de travail: Qui a été l'initiateur du projet Normick Chambord Inc.?*

**Bertin Côté:** L'initiateur a été le Syndicat des producteurs de bois de la région 02 qui regroupe environ 3 000 membres. Le but visé était d'assurer l'écoulement du tremble.

Les études de marché et les études de coûts de construction d'usine ont été réalisées en collaboration avec des firmes d'experts. Par la suite, les gouvernements



Monsieur Bertin Côté

ont été contactés en vue d'obtenir des subventions. Une compagnie d'investisseurs a été formée et a obtenu un million de dollars par ce moyen.

Il fallait trouver des partenaires pour assurer la bonne marche du

projet. Après quelques années, le Syndicat a rencontré la Fédération des coopératives forestières du Saguenay/Lac St-Jean afin d'obtenir son appui et lui offrir l'opportunité de s'associer.

La Fédération demandait à être

désignée comme organisme responsable de l'approvisionnement. Ainsi du travail était assuré à ses membres. Elle exigeait aussi que les travailleurs de l'usine soient membres d'une coopérative de travailleurs-investisseurs.

*Pourquoi la production de panneaux gaufres a-t-elle été privilégiée?*

Afin de trouver une utilisation au tremble qui se trouvait en grande quantité dans la région 02.

*Comment l'entreprise Normick Perron Inc. a-t-elle été approchée?*

Une fois que l'entente entre le Syndicat et la Fédération a été réalisée, il restait deux options: soit sans autre partenaire ou encore développer le dossier avec d'autres partenaires.

La Société de développement des coopératives et les institutions gouvernementales ont suggéré fortement de trouver un partenaire qui détenait l'expertise dans le domaine. Plusieurs promoteurs ont été approchés et Normick Perron Inc. était parmi eux. L'offre de partenariat de cette dernière était la plus claire et la meilleure. De plus, elle détenait une bonne expertise.

*Comment réagissez-vous avec l'annonce de Normick Perron Inc. de vendre ses actions à une autre compagnie?*

Ma réponse est à titre personnelle. Ma première réaction a été d'être surpris. Cependant, en y réfléchissant, je considère que la vente des actions de Normick Chambord Inc. à une autre com-

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suite à la page 7

suite de la page 6

pagne n'aura pas d'impacts majeurs. Je pense que ce sera même plus positif pour l'usine de Chambord, parce que, si une compagnie déjà en place dans la région achète le bloc d'actions, l'approvisionnement à l'usine sera plus efficace et aidera à la coupe intégrée de l'avenir.

**Pourquoi la formule de la coopérative de travailleurs-investisseurs a-t-elle été préférée?**

En tant que coopérative, nous avons le devoir d'assurer le développement des coopératives. C'était une occasion extraordinaire qui était offerte. De plus, la formule a fait ses preuves dans nos propres organisations. Il suffisait d'aller de l'avant et d'y croire.

**Quels sont les principaux avantages de développer une entreprise coopérative par le haut?**

Les principaux avantages se résument à:

- une position des travailleurs avantageuse quant à la participation aux résultats;
- une représentation des travailleurs au Conseil d'administration du C.A. de Normick Chambord Inc.;
- la participation des travailleurs comme acteurs, co-propriétaires de l'entreprise;
- à un défi pour les travailleurs.

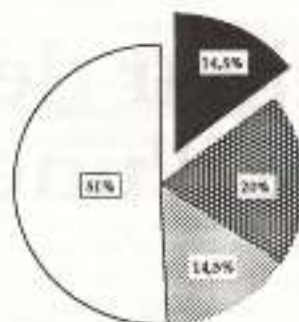
Depuis cinq mois, les opérations ont débuté et déjà le climat est excellent et les résultats sont atteints.

**Croyez-vous que d'autres projets tel que celui de Normick Chambord Inc. vont se concrétiser dans un avenir rapproché?**

Des possibilités existent. Cependant il faut s'assurer du bon fonctionnement de celui en cours avant tout et ensuite contrôler le développement.

**Comment voyez-vous l'avenir des coopératives de travailleurs en général, et plus particulièrement des coopératives de tra-**

**La participation des partenaires dans l'usine de Normick Chambord Inc.**



- Coopérative des travailleurs du Royaume\*
- ▨ Syndicat des producteurs de bois du Saguenay/Lac St-Jean
- ▤ Fédération des coopératives forestières du Saguenay/Lac St-Jean
- Normick Perron Inc.

\* Le coût d'une part sociale est de \$2 000

**vailleurs-investisseurs au cours des dix prochaines années?**

Il existe des conflits entre les propriétaires et les travailleurs parce qu'ils s'opposent; d'un côté, vous avez le patronat, et de l'autre, le syndicat. La formule de coopérative de travailleurs-investisseurs permet d'annuler cette opposition en grande partie. Les travailleurs ajustent leurs salaires aux revenus de l'entreprise, ils sont aussi en mesure de participer à la détermination de leurs conditions de travail, des descriptions de tâches, ou encore, à travailler à l'établissement du budget.

Je pense que le secteur d'activités où les coopératives de travailleurs se développeront en plus grand nombre sera le secteur de la forêt. Entre autres, dans le domaine de l'aménagement.

Depuis quelques années, les coopératives forestières se sont dotées d'un personnel professionnel tel que ingénieurs forestiers, techniciens en foresterie, comptables, techniciens en aménagement, etc., ce qui a amené l'essor des coopératives.

Les travailleurs trouveront un intérêt dans la formule, parce qu'on fait appel à leurs capacités

de création à trouver des idées innovatrices et efficaces. La formule des coopératives de travailleurs-investisseurs est à mi-chemin entre le capitalisme et le syndicalisme.

**Est-il survenu des difficultés lors du recrutement et de la sélection des travailleurs-investisseurs?**

Non. Un comité à l'embauche avait été mis sur pied avec des critères de sélection en fonction des besoins de l'entreprise.

Cette entrevue a été réalisée par Gaëtan Lavoie de la CDR du Saguenay/Lac St-Jean.

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**NDLR:** COOP de travail lance une tribune sur la loi et la fiscalité des coopératives de travail au Québec. Cette tribune reviendra à toutes les parutions de notre magazine et pourra s'étendre sur deux pages. En cette année où la révision du cadre législatif des coopératives de travail est en discussion, il est important que des points de vue soient présentés en vue de la tenue d'un débat de fond qui fera, espérons-le, émerger un consensus sur les conditions légales et fiscales qui favoriseraient davantage le développement des coopératives. Nous invitons tous les coopérateurs de travail à présenter leurs idées ou leurs solutions sur une facette du problème. De même, vous êtes invités à réagir aux opinions exprimées dans cette rubrique.

## L'effort d'un membre à la capitalisation de sa coopérative

# Le reconnaît-on d'une façon équitable et tangible?

**C'**est un lieu commun que de dire que la capitalisation est importante dans une entreprise de quelque type que ce soit. C'est un concept qui rejoint facilement tout le monde.

La capitalisation, en effet, c'est la liberté d'action pour la coopérative et les coopérateurs. C'est l'indépendance face aux détenteurs du passif (banques ou autres). C'est aussi l'assurance de pouvoir assumer tout développement, toute opportunité qui pourrait se présenter.

Bien que la capitalisation soit une vertu reconnue par tous, il n'est pas évident que tous l'appliquent, que ce soit dans le secteur coopératif ou dans l'entreprise privée. La tendance, en effet, semble de répondre aux demandes de capitalisation des créanciers. Cela devient à ce moment un mal nécessaire au lieu d'un objectif de l'entreprise ou des membres.

### Possibilités de capitalisation dans l'entreprise coopérative de travail

Dans une coopérative de travail, la capitalisation se fait premièrement par les parts sociales. Les membres peuvent aussi souscrire des parts privilégiées. Les parts sociales sont remboursables lors du départ du membre de l'entreprise alors que les parts

privilégiées portent une échéance. Les parts privilégiées peuvent porter intérêt. Pour bien distinguer la part de l'action, il faut dire que la part ne se rembourse que par l'entreprise. Il est pratiquement impossible de la céder à quelqu'un d'autre, et c'est normal puisqu'une coopérative c'est la libre association des membres.

Une autre façon pour le membre de capitaliser dans sa coopérative de travail, c'est la réserve générale. La réserve générale est indivisible entre les membres et la coopérative est tenue d'y verser 20% des excédents (surplus d'opérations).

À son départ de sa coopérative, de travail, le membre recevra ses parts sociales, ses parts privilégiées, peu importe le niveau de sa contribution à la croissance de la richesse de l'entreprise.

### Un système de capitalisation rigide et inéquitable

Rigide, cet ensemble de règles l'est, entre autres, pour les raisons suivantes: le seul moyen de reconnaître l'apport d'un membre c'est par l'intérêt sur les parts privilégiées. On est donc obligé de passer immédiatement à la dépense une appréciation de l'apport du membre et de la richesse future de la coopérative, donc peut-être même de se créer des déficits artificiels en payant un

intérêt à un moment peut-être inopportun.

D'autre part, l'obligation de diviser les excédents à chaque exercice enlève de la souplesse aux membres d'une coopérative de travail dans la gestion de leur entreprise. Inéquitable, il l'est encore plus. La question de la réserve générale, où le coopérateur voit sa coopérative imposée parce qu'il lui fait un don de 20% de sa part d'excédents, relève du scandale.

De plus l'impossibilité pour le coopérateur d'avoir droit à une partie de la richesse accumulée de l'entreprise est une autre inéquité importante. La seule compensation actuelle est l'intérêt sur les parts privilégiées qui peut à la limite devenir un geste anti-économique pour la coopérative.

Rigide pour le membre et sa coopérative, inéquitable pour le membre et sa coopérative, ce système de capitalisation produit un résultat des plus normal: les coopératives de travail souffrent d'un besoin aigu de capitalisation.

### Tabous

Dès qu'on aborde ces questions, les boucliers se lèvent à la défense du statu quo en brandissant l'anathème du capitalisme, en opposant les principes de l'alliance coopérative internationale et surtout, dans bien des cas, en mélangeant des règles compta-

bles utiles pour fins fiscales et des principes coopératifs.

Cependant, comme le développement de la coopération de travail passe par la capitalisation des entreprises, il faut être bien conscient que cela prend des conditions objectives pour que les coopérateurs investissent dans leurs entreprises.

- Enlever l'obligation de verser un pourcentage des excédents dans la réserve générale.

- Donner la possibilité à la coopérative de reconnaître à ses membres leur effort à la richesse de l'entreprise par la possibilité de leur verser en parts, selon des mécanismes à établir, au moins la plus value tangible de l'entreprise en fonction de l'apport de chacun.

Voilà rapidement deux mesures qui changeraient considérablement les possibilités de développement des coopératives de travail au Québec.

Toutefois, ce qui importe à ce moment-ci, c'est un forum où les coopérateurs pourront faire un consensus sur leurs revendications, et un réel véhicule pour faire en sorte que le cadre général de fonctionnement des coopératives de travail soit amendé et réponde aux besoins des coopérateurs et des coopératives de travail.

Pierre Allard

NDLR: Conçue pour informer le plus brièvement possible le lecteur, cette section traduit des événements ou donne des informations générales sur le secteur de la coopération de travail. Nous vous invitons donc à nous faire parvenir toute information factuelle touchant votre milieu.

### Un prix pour «Aux-Plus»?

L'Agence coopérative d'auxiliaires familiales de Montréal (Aux-Plus), qui avait posé sa candidature au prix Entrepreneurship 1988 (Volet Mérite, catégorie Femme), a été choisie comme finaliste. Deux entreprises sont finalistes et l'entreprise gagnante sera dévoilée le 31 janvier lors d'un souper gala. Nous félicitons Aux-Plus d'être finaliste et lui souhaitons de remporter le premier prix.

### Nouvelle coopérative à Québec

La CDR de Québec annonce le démarrage des activités de la Coopérative des professeurs en enseignement musical du Québec. Les cinq membres fondateurs offriront dans un premier temps leurs services aux particuliers et plus tard à une clientèle institutionnelle.

### Assemblée générale de la Fédération québécoise des coopératives de travail

L'Assemblée générale de la Fédération québécoise des coopératives de travail (FQCT) s'est déroulée le 26 novembre dernier à Montréal. En plus des membres de la Fédération, cette assemblée réunissait une cinquantaine d'intervenants du milieu coopératif, venus discuter d'éléments identifiés comme des freins au développement des coopératives: la fiscalité et certains aspects de la législation.

Parmi les problèmes soulevés, et qui font en sorte que la comparaison entre l'entreprise privée traditionnelle et le système coopératif s'avère parfois extrêmement désavantageuse pour ce dernier, mentionnons l'indivisibilité de la réserve générale, le niveau d'imposition des ristournes, l'avantage fiscal du Régime d'investissement coopératif limité à 100%, l'impossibilité pour les membres de toucher une partie de la plus-value de leur entreprise au moment de leur départ, et la sous-capitalisation des entreprises coopératives.

Face à ce dernier problème, le Conseil de la coopération du Québec (CCQ) décidait, en juin dernier, de faire réaliser une vaste étude visant à identifier les modifications nécessaires aux lois et à la fiscalité pour rendre le secteur coopératif concurrentiel à l'entreprise privée, tout en conservant la spécificité du mouvement. Cette étude devrait normalement déboucher sur l'acheminement de revendications concrètes au Gouvernement du Québec à l'automne 1989.

La FQCT estime que cette décision du CCQ permettra d'accélérer le processus de révision de la législation et de la fiscalité dont les coopératives ont un urgent besoin pour garantir leur développement. La FQCT croit que, sans l'appui concret des grandes coopératives membres du CCQ, il sera difficile d'obtenir rapidement ces révisions.

En tant que membre du CCQ et du comité d'analyse et de suivi de l'étude menée par la firme Maheu Noiseux, la FQCT assume son rôle de représentation de ses membres et fait en sorte que les intérêts spécifiques des coopératives de travail soient préservés et déve-

loppés dans le cadre de cette étude. Par conséquent, toute coopérative intéressée à formuler des propositions à ce sujet est invitée à communiquer avec la FQCT.

### Acquisition à la coopérative «Les Nuages»

La coopérative de recherche et de production en communication «Les Nuages» vient d'entrer en possession de l'ensemble des actions de l'agence Caron publicité marketing Inc. Par cette acquisition, la Coopérative double pratiquement son volume d'affaires. On prévoit que le personnel permanent passera de dix à quinze personnes au cours de l'année. Une des conditions posées par les membres lors de la transaction était de transformer l'entreprise en coopérative le plus rapidement possible. La coopérative verra donc son membership élargi d'autant.

La coopérative «Les Nuages» est encore la seule agence de publicité coopérative au Québec. Les membres entendent préserver ce caractère coopératif à travers toutes les étapes d'expansion à venir.

### Campus Coopératives démarre

La CDR de Montréal annonce le démarrage de la première promotion de *Campus Coopératives*. En tout huit projets ont été sélectionnés dans des secteurs aussi variés que l'informatique, la télématique, fabrication d'un bac isolé pour plantes vivaces, services conseil en garderie en milieu de travail, édition, etc. Le programme de six mois débutera dès le mois de février.

### Conseil québécois du regroupement des CDR

Les 19 et 20 janvier dernier se tenait la première réunion du Comité avisier du Conseil québécois du regroupement des CDR. Afin de se pencher sur les orientations des expériences que les CDR du Québec réalisent dans le cadre du Programme national d'aide à l'innovation (PNAI), le Conseil d'administration a constitué un Comité avisier formé des personnes suivantes: **Raymond Barrette** de la *Conférence des coopératives forestières*, **Claude Carbonneau** de la *Société de développement des coopératives*, **Daniel Côté** du *Centre de gestion des coopératives de l'École des Hautes Études Commerciales*, **Yvan Forest** du *Conseil canadien de la coopération*, **René Houle** de la *Fédération des coopératives québécoises en milieu scolaire*, **Marc Jean** de la *Direction des coopératives du ministère de l'Industrie, du Commerce et de la Technologie*, **Richard Messier** de la *Fédération québécoise des coopératives de travail*, **Robert Morand** du *ministère de l'Emploi et de l'Immigration du Canada*, **Pierre Paquette** du *Conseil central de Montréal de la Confédération des syndicats nationaux*, **Roger Pelletier** de la *Coopérative fédérée de Québec*, **Alain Roy** du *Secrétariat d'État aux coopératives du Gouvernement du Canada* et **Magella St-Pierre** de la *Confédération des caisses populaires Desjardins*.