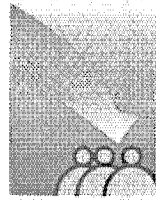


## Introduction



### Convincing or Empty Arguments?

Worker-owners typically work better, they work harder, they offer competitive services, they distribute their gains more equitably, they enjoy high levels of participation in decision making, they enjoy high levels of job satisfaction.

The above may be strong and convincing arguments on paper; however, the attraction of worker cooperation has, all too often, not been fulfilled in practice. The reasons put forward to explain this are often those collectively referred to as the 'degeneration syndrome', a cluster of disadvantages and obstacles which can be easily evaluated as consequences of an a- or anti- cooperative environment. If that is really the case, then the onus of failure would not fall so heavily on cooperative societies themselves, but on the hostile, competitive, materialist and individualist culture in which they are forced to operate.

Such arguments, for all their validity, are however, circuitous and only guide us into a policy vacuum. Any cooperative policy would, in this vein, become a non-policy. It undergoes its own degeneration, becoming the determined, quasi-laboratory effect of, on one hand, a fortuitous cultural and political turn-about plus, on the other, a charismatic catalytic figure; conditions which, barring Mondragon in Basque Spain, have not materialised in most parts of the world. In this way, one does not *own* a cooperative development strategy but allows oneself to justify progress (and, often, the lack of it) on environmental variables beyond one's control. An alternative standpoint is to argue that an active cooperative promotion campaign can lead to some results. The social, democratic and economic gains of cooperation warrant an

investment in a broad and supportive infrastructure. And, possibly, the present time may be ripe to place cooperative ways of working back on the agenda of workplace reform.

### **Why Cooperation Now?**

One can mention a set of reasons to support this assertion:

The latest Human Development Report, published yearly by the United Nations Development Programme (UNDP), does not mince its words: People's participation is becoming the central issue of our time. If people have an urge, an impatient urge, to participate in the events and processes which shape their lives, then the workplace cries out loud for the opening of similar opportunities. In all fairness, it is paradoxical and counterproductive to support and fuel people participation as cultural agents, as consumers, as citizens and as entrepreneurs - whether as individuals or as members of collectivities - but then stop short of giving them participative space as workers. The collective labour and entrepreneurship of worker cooperatives become one expression of such a value.

Secondly, we are witnessing a more humane approach to the general organisation of work. The imaginative, responsible (apart from productive) individual is being rediscovered within the organisation. This is partly a spin-off from the bitter truths of economic competition, as both employers and trade unions learn the price from the different lessons of experience. The former realise the value of humanising the workplace to unleash the full human potential of employees; the latter come round to the urgency to present themselves as relevant to the contemporary concerns of the modern workplace, facing squarely challenges of occupational safety, technological change, environmental protection, employee education and training. Employee involvement is no longer a wicked word in management circles: it

purports to entertain employees in legitimate decision-making functions few had thought possible without *force majeure*. With a human resource development strategy, and often in spite of weakened labour unions, control is vested in whoever works in the firm. The parameters charting the contested terrain of labour-management relations may be democratised to refer, no longer to issues of who controls and is controlled, but to those involving over what, and to what extent, is control to be shared. Cooperation appears on the agenda not only as something apart from, but also as an integral component of, traditional employment relations.

Thirdly, there is the growth of the contingency workforce in the contemporary labour market. Individual forms and organisations out-source functions and duties to persons or groups who are not strictly in their employ. Work is assigned on a competitive contract basis, without secure and guaranteed wages or salaries, rather than as part of a stable employment package. The company thus saves on labour costs, avoids excess labour capacity, ensures competitive and value for money performance, while squeezing out the responsibility for training, equipment, health, insurance and other expenditure onto whoever is subcontracted for the task at hand. Self-employment is the fastest growing occupational category today as work returns to being an individualised experience, distancing workers spatially - and therefore even in their orientations - from forms of collective mobilisation such as trade unionism. Control becomes less transparent and more anonymous, incorporated in technological devices (such as computer terminals in home-working arrangements) or relegated to worker self-discipline and self-restraint. Worker cooperation provides a much needed defence against the vagaries of the market; it is a solidaristic option which can deliver the desirable economic goods without unduly disempowering workers.

Fourthly, there are socio-economic constraints common to those countries which have experienced fiscal crises over the last two

decades and are now reeling from a massive retrenchment of the state in economic affairs, a reduced public welfare provision and large levels of structural unemployment. The Mediterranean littoral remains, for all its contrasts, a basin of turmoil as economies find themselves consistently unable to provide jobs in sufficient enough quantities to match increasing populations of young job-seekers plus those older workers who are victims of retrenchment and redundancy. The practices of privatisation, liberalisation and public sector revitalisation in the developing countries of Southern Europe and North Africa are provoking strong levels of public disillusionment. Long nurtured promises of development have not been fulfilled. The reactive strategies of people at large have included the enthusiastic embrace of the fundamentalist option which stands out starkly today as the strongest contemporary alternative to the promise of Western modernity. Otherwise, there is the siren song of the European Union, an uncomfortable neighbour to the ever volatile Mediterranean theatre. The EU is concerned that, in spite of its own labour market problems, it can still be looked upon as the potential haven for millions of migrants in search of work, a future and a share in a decent quality of life. Such a context justifies a rethink of self-help options for revenue generation and productive work activity which promote regional development while doing away with interventionist public policy. The mismanagement, inefficiencies and partisan agendas of the latter have provided the strongest arguments in favour of World Bank-led structural adjustment programmes.

This is the international and regional context which has inspired us to launch a Mediterranean research project. Carrying the title *Towards Effective Cooperative Viability*, it aims to explore cooperative ways of working and the possibilities that these offer to redress current economic and democratic concerns. It is a project which establishes a regional encounter for those concerned with the contemporary challenges of the experience of work, and for the review of appropriate strategies of education, organisation,

management and support to provide cooperative responses to these challenges.

This regional research project is recognised as a spur towards local action research which is in itself an important guide to effective policy making. The project has already fuelled a number of case studies and encouraged a constructive discussion on issues which will prove crucial in mobilising useful, effective support for cooperative initiatives in the participating countries. Here, we have also been favoured by a happy confluence of academics and practitioners as project participants.

### **This Publication**

This publication draws on the papers and contributions to the project conferences to date. Its distribution is intended to disseminate the findings and discussions of the project among a much wider audience, fostering in the meantime a broader awareness of the cooperative potential.

The material, culled from conferences held in Malta in June 1993 and September 1994, is organised into three inter-related sections.

The first grapples with principles of cooperation, and consists in the interventions of four different expert resource persons invited over to the project expressly to animate the seminar proceedings on the basis of their theoretical expertise and wide ranging international experience in the field of cooperation. These collectively provide an up-to-date assessment of the cooperative formula. Their deliberations serve as a set of seminal arguments which can and should be addressed in any serious contemporary audit of cooperative organisation. A special focus is reserved to the International Labour Organisation and its contribution to the cooperative effort over its 75 year-old history.

The second set of papers chart out the national context to cooperation with an account of six experiences of different countries. Each of the five Mediterranean country reports - Cyprus, Greece, Italy, Malta, Spain - along with that of the United Kingdom - reads as a unique compendium of political, historical, cultural and economic issues. But one can discern interesting points of agreement and similarity, particularly the origins and extent of 'the social economy', the character of the supportive role played by the state, the dominance of the agricultural sector, and the more recent attempts at promoting new, more market-responsive forms of productive cooperative organisations.

The birthplace of cooperative production in the industrial age, the United Kingdom, continues to provide worthwhile insights to the cooperative cause thanks to its mixed successes. Its status as a former colonising power in the Mediterranean and the institutional relationship which the University of Malta continues to cultivate with centres of tertiary education in the United Kingdom, renders almost automatic a reference to the British experience.

Lastly, we conclude this volume with a set of case studies: These comprise the success story of a small and young cleaning and maintenance cooperative in Malta; the Scott Bader Company, owned by a collective trust; and the spectacular success story of the Mondragon cooperative movement. These and similar case studies from the Mediterranean, could eventually serve as the database to a stimulating comparative study of cooperative work experiences in the region.

The cooperative structure - especially the worker (producer) variant - appears to carry some potential in the contemporary regional labour market context. Riding as we are on the wave of contingency working, of the critique of an inefficient, over-manned and over-indulgent public sector, of the humanisation of work, of the bitter experience of sustained large scale

unemployment, should we not turn once again to review critically cooperative ways of working?

It appears fitting to end with a question, rather than an answer, since what is past is hopefully only the prologue to a sustained effort.

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