



Skills for Co-operators in the  
21st Century

Learning to Do, Learning to Be

Co-operative College

Education and Research  
Conference 2018

## Journal of Co-operative Studies

The *Journal of Co-operative Studies* is a peer-reviewed international journal published by the UK Society for Co-operative Studies (Registered Charity No 1175295) and distributed in Canada co-operation with the Canadian Association of Studies in Co-operation (CASC) and in Ireland in co-operation with the Irish Society for Co-operative Studies.

The *Journal* is published three times a year — Summer, Autumn and Winter and is a green open-access journal. Manuscripts will be published online at [www.ukscs.coop](http://www.ukscs.coop) following a six month embargo period.

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Institutional Orders (Printed Copy): Single issue £45, Per volume (3 issues) £120

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ISSN 0961-5784 Copyright 2018

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**Special Edition:**

**Skills for Co-operators in the 21st Century  
Learning to Do, Learning to Be**

**Co-operative College**

**Co-operative Education & Research Conference 2018**

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# Guest Editorial

JCS Special edition – Editorial

This year's conference, *Skills for Co-operators in the 21st Century — Learning to Do, Learning to Be* explored what learning looks like in contemporary times, covering two main strands: *The Co-operative University* and *Learning for New Co-operative Times*. There was a huge variety of presenters both from the UK and across the globe including India, the Czech Republic, Spain, Italy, and Malaysia. As well as a focus on many aspects of the development of a co-operative university, the programme also covered different types of international co-operation, the social and solidarity economy and technology for co-operative knowledge production.

The two day conference had plenty to choose from in the range of panels, workshops, presentations and plenary sessions. On the first day, conference participants were able to attend a wide selection of workshops, presentations and discussions on topics such as co-operative education, co-operative social entrepreneurship, promoting inclusion in co-operatives and the challenge of making co-operative governance fit with existing UK higher education structures. Sessions on the second day included more of the thinking around the co-operative university, mapping the solidarity economy, how co-operatives and trade unions can work together, young people in co-operatives and co-operative learning technology. This special issue of the *Journal for Co-operative Studies* reflects the themes of the conference and includes three peer-reviewed papers and four shorter commentary pieces.

In the first peer-reviewed paper, David Davies and James Nyland's *Critical Thinking for an Engaged University*, the authors discuss the problems of reconciling the idea of universities as a public good with a social mission as well as an educational one and the fact they must now compete in a capitalist marketplace. They propose a lack of critical thinking in universities is creating a rift between universities and the issues facing society, and suggest building a critical curriculum based on social knowledge for action and a reimagining of what community engagement means in the modern context.

Some of these themes are echoed in Marie Huxtable and Jack Whitehead's peer-reviewed paper, *Living Co-operative Values in Educational Contexts*, which discusses the development of the co-operative university as an institution that is not merely about the creation and dissemination of academic and scholarly knowledge. It focuses on the importance of supporting people as part of a lifelong process to contribute to the 'flourishing of humanity' at many levels, individually and collectively.

Rosidah Rashid and Nasibah Ahmad's paper on *The Involvement of Youth in the Top Management of Co-operatives* describes the need to encourage more young people into leadership and management positions of co-operatives in Malaysia to provide succession-planning for a co-operative movement dominated by 'elderly' leaders. Their study highlights the lack of youth engagement in leadership of co-operatives and suggests a lack of policies or programmes to integrate youth development into its activities is a key problem.

In the first of our shorter articles Tony Webster and Olga Kuznetsova's *Harnessing Research for a 21st Century Co-operative Movement: Introducing the Co-operative Early Researchers Network*, they discuss how this new network provides a much-needed link between the co-operative and academic worlds. This, they argue will both help the co-operative movement make progressive changes and also increase its social impact. It goes on to outline the key areas of research identified by participants in the CERN panel discussion at this year's conference.

Alex Bird's paper, *Working Together — the Push Back from Co-operatives and Trade Unions Starts Here*, from the conference session by Pat Conaty, Alex Bird and Cilla Ross, outlines the author's research into the needs of self-employed people and highlights potential solutions

from the co-operative and trade union movements as a response to their needs. It describes the increasingly precarious working conditions for today's self-employed and focuses on two case studies from within a much wider study that are already working towards strengthening collective solutions and providing ways for individual workers to benefit from co-operative approaches.

Stephen McCusker's short paper on *Learning Through Architecture and Successful Capital Projects in the Post-Capitalist Co-operative Economy of Northern England* highlights how three co-operatives have combined values and principles within their capital projects to retain their ethics and integrity whilst enhancing their social and community importance.

Colin Waugh's think piece, *How the Co-operative Movement can Change Further and Higher Education for the Better*, mirrors some of the points in both Huxtable and White's as well as Davies and Nyland's papers in reflecting that we are in danger of losing the valuable social and personal development aspects of adult learning and argues that the co-operative university has the potential to reintroduce this.

Finally, Katarzyna Gajewska's article *Practices and Skills for Self-Governed Communal Life and Work: Lessons for Co-operators from One US and One German Egalitarian Community* presents the argument that the challenges of living in a community provide valuable lessons in personal growth and resilience. These communities also provide examples of organisational, decision-making and conflict management processes that enable the people living in them to work together to solve individual and communal issues. In conclusion the author posits that these processes, as well as a sense of fun and allowing people to be who they are, can help us shape more co-operative societies.

The papers in this issue clearly show how the co-operative movement has a strong social remit and a sense of being able to offer creative and pioneering solutions to many of the issues in the world today, and this is also reflected in the thinking around the development of a co-operative university. These papers highlight how co-operatives and co-operators continue to be innovators and horizon scanners, not only in ensuring young people are ready to drive change in the co-operative movement, or that people can develop the skills to work collectively more effectively, but also in developing a co-operative university that is ready to tackle head on the thinking and learning required to respond to the needs and issues of modern society.

We would like to thank all of the authors for their contributions, both to the conference and to this special issue of the journal. It has been a privilege to take part in the guest editorship of this special issue, and we look forward in anticipation to next year's conference for our centenary year as a College.

**Dr. Amanda Benson, Dr. Cilla Ross and Dr. Sarah Aildred from the Co-operative College.**



# Working Together — the Push Back from Co-operatives and Trade Unions Starts Here

Alex Bird

## Introduction

Today, over 7.1 million workers are in precarious employment in the UK, on short term contracts or self-employed. That's around almost one in five of the total workforce. Not only do they have almost no security, but whilst the average employed worker is losing out year by year in real terms, the self-employed are doing even worse, earning less each year in cash terms. 1.7 million people in self-employment are earning less than the national minimum wage, with no real enforcement of the law, and the self-employed are not even covered by the existing legislation. The median income for freelance workers and those on zero-hour contracts is 40% below the median of those in traditional employment, and 77% of the self-employed are living in poverty.

As a result, Britain is more unequal in income than at any time since 1939. Out of the 30 OECD countries in the Luxembourg Income Study (LIS) data set, the UK is now the seventh most unequal, and the fourth most unequal in Europe, just ahead of Greece, Spain and Estonia.

Both off-line and on the web, 'on demand' work is escalating — there's been a 10-fold increase in zero-hours contract work since 2006. There were 4.8 million self-employed (15% of the workforce) at the last count, and that's estimated to be over 5 million by now. Very shortly there will be more self-employed workers than public-sector workers in the UK. Freelancing has expanded by over 1 million in the last decade, and two thirds of new jobs in the UK are being created by people becoming self-employed.

Self-employment is also a pre-condition for most gig economy jobs, even when it is driving a van and wearing a uniform supplied by the employer. Jobs with almost no rights are becoming the new normal, as is in-work poverty.

In the first of our reports, *Not Alone* (Conaty et al., 2016) we identify the main difficulties faced by the self-employed freelancers and suggest some possible solutions. In the third of our three published reports, *Working Together* (Conaty et al., 2018) we spell out innovative solutions to the problems of the precariat, the self-employed precariat especially. In this research we have looked at examples from around the world, as well as in the UK, where innovative solutions developed by co-operatives and through a coming together of co-operatives and trade unions, have been able to overcome some of the difficulties the precariat have.

The second report, *Organising Precarious Workers: Trade Union and Co-operative Strategies* (Conaty et al., 2017), was for the TUC, and was aimed at trade union activists, identifying the problems freelancers suffer from, and possible trade union and co-operative solutions.

These co-operative and trade union initiatives enable individuals to gain some power in the employment marketplace by working together. Examples include union co-operatives in the USA, where co-operatives of the self-employed, such as taxi drivers, have come together with the support of union "locals" or branches, to set up their own radio networks and smart phone apps. In many towns and cities these union co-operatives have come to be major players in the taxi market. Similar taxi co-operatives also exist in the UK, including Edinburgh, where two co-operatives have dominated the trade for decades, bringing increased benefits to drivers because all the profits are shared amongst them and the trade union, Unite, negotiates rates with the Council with them.

The report also looks at large scale co-operative networks of the self-employed, which provide a complete back office solution for the self-employed; invoicing, chasing payment, organising the payment of taxes, and enabling them to work in collective teams on larger contracts.

Examples of these include the CAEs (Cooperatives d'Activités et d'Emploi) in France, of which there are now 94 'employing' over 9,500 individual entrepreneurs, and they are brought together in the organisations Coopérer pour Entreprendre<sup>1</sup>, composed of 74 co-operatives, and the Copéa<sup>2</sup> network, made up of a further 30 co-operatives.

In Italy, Doc Servizi<sup>3</sup> provides a similar service to its 6,000 members<sup>4</sup>. It now has 32 branches all over Italy and had a turnover of over €45 million in 2017. In addition, Doc Educational (a co-operative for teachers, trainers and educators), Doc Creativity (a start-up co-operative for digital innovators and makers), Hypernova (a start-up co-operative for web and IT professionals), STEA (Safety Theatre Entertainment and Art — a co-operative providing event security), Freecom llc (a publisher of books and CDs), and Doc Live llc (a specialist consultancy for organising music events) have a combined membership of more than 7,000 and had a turnover of over €50 million in 2017.

The largest of these self-employed freelancer co-operatives is SMart in Belgium, which has over 25,000 active users and a further 55,000 registered on the system who use it from time to time.

## Case Study 1 — SMart (Société Mutuelle d'Artistes)

SMart was formed in 1998 to enable artists, technicians and intermittent workers to face the administrative complexity of the arts sector in Belgium.

The association was born under the leadership of Pierre Burnotte and Julek Jurowicz. Since 2015 Sandrino Graceffa (CEO SMartFr) acts as Managing Director.

"I have been a concert promoter for a long time", says Pierre Burnotte:

Out of respect for the work of artists that I invited, I wanted to pay them properly. Although it was not large sums, back then it was easier to settle up in cash rather than following the rules. Working in this way was not a solution given the risks that this implies for both the organiser, for the artist, most of who were unemployed. But the formal mechanisms were particularly unsuited to the realities of this environment. So I started to take care of the administration of certain bands. Most could not live on their art and besides; they did not know how to declare occasional income. They juggled with the legislation, hoping not to commit a faux pas or be identified. Artists have been sanctioned or excluded from unemployment benefit for exhibiting paintings or a playing a concert. Artists didn't know much about their rights and duties while the Government administration, Trade Unions or Social Security knew very little of the peculiarities of this medium ...

Julek Jurowicz, who had been working in film circles for some time, experienced similar problems there.

Based on their experience, the two future partners considered various solutions. They started SMart, the association to manage the administrative aspects of musicians' business, and then gradually brought in other categories of artists. But to do this manually is tedious administrative work, and far too much for one person.

Pierre Burnotte and Julek Jurowicz realised that the viable solution was to design an IT system capable of handling larger numbers of people and utilising the economies of scale and the pooling of interests.

Employment rights are, naturally, different in Belgium, and workers are divided into three main categories:

- **Salaried Worker**  
Your employer pays around 30% on top of your salary into the social security fund. As



an employee you are liable to pay a proportion of your gross salary as social security contributions. This fund is then used to pay social security: health insurance, retirement plan, unemployment benefit, family allowance, etc.

- **Independent Worker**

The self-employed are also eligible for social security but have fewer rights. They cannot, for example, claim unemployment benefit and they therefore pay a social security contribution that's lower than the joint contribution of employers and employees. However, the self-employed can pay extra voluntary contributions via L'Institut national d'assurances sociales pour travailleurs indépendants<sup>5</sup> (INASTI), which gives them additional rights.

- **Civil Servant**

Civil servants get the best overall social protection. But they cannot benefit from certain extras like a group pension funded by the employer, and their work environment can be considered as less flexible.

## **How SMart works**

SMart has produced a system to give the precarious, intermittent workers who manage their own career paths in direct contact with customers or outsourcers, access to salaried legal status. The system offers workers the opportunity to build or preserve their social rights by allowing them to obtain the benefits usually reserved for employees (such as for example access to unemployment benefit). In Belgium, as in many other countries, temporary workers do not qualify for unemployment benefit, and workers normally have to have worked for at least 15 days per month, for the previous 18 to 36 months depending on age. For intermittent workers in the artistic field the "règle du cachet" allows them to convert income into working days, which facilitates their access to unemployment benefit. Then, the specific "intermittency unemployment scheme" allows them to maintain the high unemployment benefit level after one year of unemployment benefit (normally the level of the unemployment benefit decreases after that). The person simply has to prove they work as artists or technicians (156 working days of which at least 104 days were of artistic or technical works during the last 18 months). Once they prove this, they can keep maximum unemployment benefit for a year as long as they provide three work contracts each year.

## **The contract**

The **Contract** is the oldest of the online tools SMart has developed to enable individual members to manage their businesses. It does this by the simple mechanism of converting their own self-motivated, self-controlled earnings into a salary. By doing this it allows the individual to operate what is in effect his or her own cost-centre within a larger co-operative accounts system. Thus, they have to make their own work, setting their own timetables, chasing up contacts and negotiating with them. Taxes and National Insurance are taken care of centrally (like for employees), professional and accident insurance is provided, and clients are billed via SMart.

They have online access to their own space in the system, within which they post their contracts, and send out order forms. These are converted into invoices that are sent out in the name of SMart on their behalf, and SMart chases and collects the payment. This is then converted to a payment to them via the equivalent of a PAYE employment system. They are salaried, but not employed in the normal sense. They have a sort of "zero hours contract" but they control their hours and therefore, what they get paid.

The member can also choose to smooth their "salary" over the year based on anticipated income, so that they get paid a set amount each month, making their personal financial affairs easier to manage. This is an idea first used by the Coopératives d'Activités et d'Emploi in France, with which SMart has strong links.

Since 2001, SMart has guaranteed payment for all work invoiced through the system, underwritten by mutual funds built up within the organisation. Thus, members are paid within seven days, and don't have to worry about defaulters.

Because SMart is a larger organisation it has the muscle to act against late and bad payers. Organisations that build up a history of being late or poor payers effectively find themselves blacklisted as too bad a credit risk, until they pay and then are welcomed back if appropriate.

This has not been without its difficulties. SMart recruited many hundreds of Take Eat Easy cycle couriers. SMart were involved in negotiations with the company, and helped secure an agreement to pay the couriers per shift, rather than per delivery, just as Deliveroo also do in some instances. However, in July 2016 Take Eat Easy went into bankruptcy, partly as a result of competition from Deliveroo, and SMart's guarantee fund lost out to the tune of €340,000. This was a financial shock to SMart, but one that it was able to weather, having built adequate reserves over time. The positive publicity around it brought a commensurate increase in membership to SMart.

SMart also provides members with professional liability, accident at work, and mobility insurances, which comes as part of the package. One contract through the system per year is enough to ensure coverage by SMart's insurance all year.

SMart charges a levy of 6.5% to cover cost of services and development of mutualised services in Belgium (although this varies between 6.5% and 8.5% depending on which country the member operates in).

An important facility/function is the **Production Associes** tool, which has been built in-house by Ubik Sprl, a digital company that is itself a SMart member, was introduced on 1 January 2015 to replace the original software that operates the **Contract**, although the original is still available for those who want to continue to use it. This is a new "3 in 1" online tool to charge for work for a client. Every member has access online 24/7 to a personal space<sup>6</sup> to run his or her affairs.

One data entry by the member generates the official order (which must be co-signed by the member and their client) the contract established between the worker and other associates and, the invoice for the work done.

With this new tool the member can:

- Send invoices to customers via pre-formatted contracts based on estimates, partnership working, development agreements, etc.
- Pay funds into the activity budget from diverse funding sources.
- Pay for production costs related to the implementation of the activity.
- Recover VAT on the purchase invoices issued in the name of SMart.
- Exercise their rights as an employee (temporary or permanent) or as an author and thus benefit from better social protection.

SMart also offers an online **Budgetary Tool** that helps the member to manage projects effectively by:

- Costing purchases and expenses.
- Calculating cash flows.
- Identifying material costs.
- Calculating labour requirements (personnel and hours).

- Identifying any technical and regulatory requirements such as Intellectual and property rights, grant conditions, etc. that need to be adhered to.

## Les Activities

The **Activities** management tool allows members to manage a budget dedicated to their project without having to create a separate company, society or association. They do this within SMart, which provides all the services they need, and allows them to administer and bill collective projects, whilst maintaining employee status for all the workers involved.

This system allows them to finance contracts of employment for other staff members, to pay business expenses or to pay duties and taxes. It is adapted to the needs of workers, who, whilst essentially acting as self-employed, work collectively with others in a non-hierarchical way.

It allows working with a group of associates, the repayment of a wide range of professional fees, the receipt and management of public subsidies, and billing for copyright fees, any other costs, or the sale of works of art.

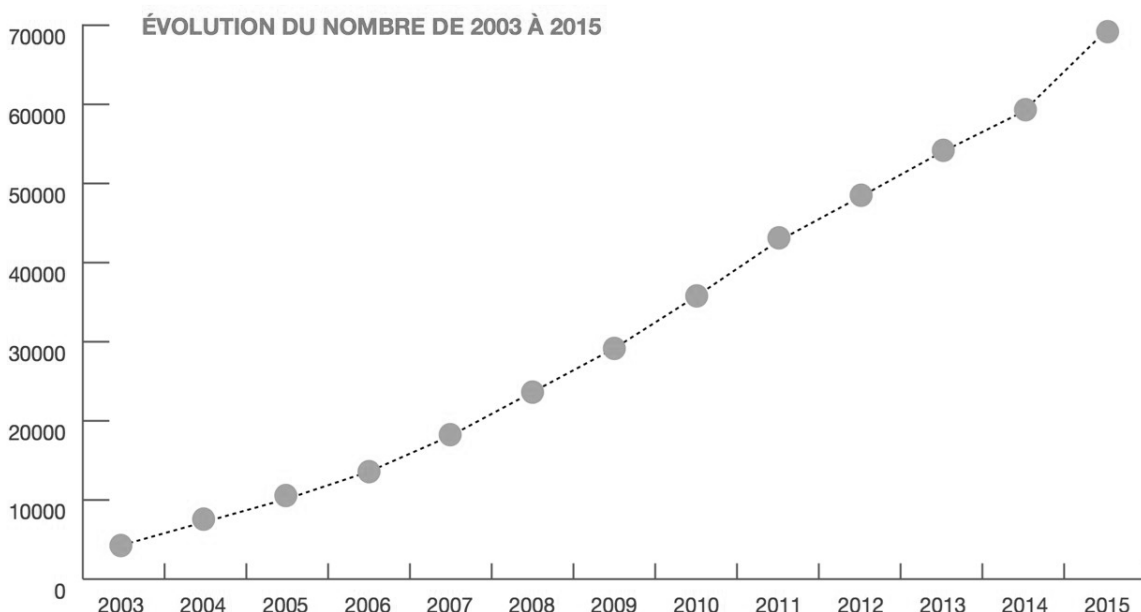
The share of Smart's business taken by the SMart **Activities** model has grown steadily. For the first time in 2014, the amounts charged for **Activities** exceeded those for **Contracts**. This change, which is even more evident in 2015, shows that SMart is becoming increasingly a shared enterprise, in which the members are likely to develop all of their professional projects through the **Activities** model.

## Membership

Membership has grown steadily over the years to around 85,000 members who had registered on the system in Belgium by the end of 2017, plus around a further 20,000 across Europe.

As of December 2017, there are over 14,000 full voting members of the co-operative in Belgium, as well as 11,000 others, non-voting members, using their online business management system. 20% of these members are actively billing all the time and 80% come and go on contracts, but together they have a business turnover of over €120m in Belgium and €20m in France. They have operations in seven other countries too.

Membership continues to grow, and on a daily basis 18-25 people come to SMart in Brussels for a presentation to learn what the co-operative is, how they can work through it, and how they can join. SMart doesn't do much marketing, like any good business it is all word of mouth.



The services members use has also changed, with an increasing proportion switching from the **Contracts** model to the **Activities** model, which makes it easier for them to work collaboratively.

By 2014 **Activities** transactions exceed those of the **Contracts** model, and by 2015 over 72 million transactions (58% of 113 million) were made using the **Activities** model.

Over the same period, with the creation of SMartEU, SMart has expanded across Europe, and now operates local organisations in Austria, Belgium, France, Spain, Germany, Hungary, Italy, the Netherlands, and Sweden. Each organisation is adapted to the local tax and insurance regime.

SMart is now officially recognised by the Belgian government as a large employer, and so is able to influence and lobby government on issues for the self-employed. In addition to the franchises in seven other EU countries SMart is building a partnership in the UK with both Indycube, a shared workspace co-operative and the Community trade union, to roll out a similar system here. Indycube now has 36 co-working premises across the UK.

## **Shared workspaces**

Since its inception, SMart has helped creatives professionalise and for a number of years has rented out shared workspace. Its first premises at Rue Emile Féron in the Saint Gilles district of Brussels have expanded through the acquisition of adjoining properties over the years including the Brussels Art Factory.

SMart has opened other workspaces across Belgium at LaVallée (Molenbeek), Le centre de Création des Tanneurs (Liège), L'ancienne Brasserie Haecht (Liège), Espaces Mutualisés Vivegnis (Liège), and the Centre de Création des Belneux (Mons). These are a mixture of freehold and leasehold properties, but all are let to artists and creatives on similar, all-inclusive terms.

LaVallée was opened in September 2014, located in a former laundry of 6,000 square metres in Molenbeek-Saint-Jean, near the Brussels city centre, close to the canal and the new centre for contemporary art, Mima.

LaVallée aims to bring together a diverse range of artists and creatives to encourage cross fertilisation of ideas, pooling of skills, areas of expertise, and equipment as well as increasing opportunities for collaboration. Working in partnership, and the human and participatory nature of the project, are core values of LaVallée.

The site hosts more than 100 creatives and entrepreneurs, individuals and groups from various sectors and helps to organise many events.

LaVallée has workspaces, workshops and offices of varying sizes, from a dozen square metres to a hundred square metres for shared accommodation. Moreover, several event rooms can accommodate and produce events such as exhibitions, artistic performances but also workshops, training, conferences.

It was leased from a private owner on a 27-year lease from 2013. So far SMart has spent €600,000 on renovation and improvement. Space is rented to members for between €8 and €10 per square metre per month (£8 to £10 per square foot per year) which is inclusive of heat, light, rates, 24/7 access and Wi-Fi internet connection.

## **Training**

SMart also has a training department offering a range of courses on business and entrepreneurial skills. Courses are both generic and sector specific. They include:

- **Training by sector:**
  - Creative professions: I have a communication plan!
  - Plastic and graphic arts: How to secure the right price
  - Photography: Copyright and image rights

- **Training for all:**
  - Professional project review
  - The art of negotiating
  - Weaving and expanding a network of contacts
  - Social media as a professional tool
  - Conducting market research
  - Developing and managing projects
  - Introduction to collective intelligence tools
  - Working abroad: Legal and administrative aspects
  - Intercultural aspects of international mobility
  - Developing entrepreneurial skills that suit your personality
  - Talking about one's artistic project

In addition, SMart's training division has engaged with the EU's Erasmus Programme, and has participated in "Routes to Employment" a project across seven countries working with, amongst others, Roots & Routes and Albeda College in the Netherlands.

### **Financial services**

SMart offers members a range of financial products, including equipment leasing, small loans, and advances against grant funding. These are all operated as in-house services.

### **Promotions**

SMart runs promotional events aimed at promoting its own members, such as SMart Lab, an annual event held at different locations around Europe. It also operates a web space dedicated to member-to-member communication and the marketing of members' services — [www.smartagora.be](http://www.smartagora.be)

### **Legal services**

Members can benefit from advice that covers a range of subjects from employment and unemployment rights to intellectual property protection.

### **Business advice and coaching**

SMart has business counsellors to advise members on the organisation, growth, and development of their business. They are available to discuss the technical and financial feasibility of each new project and help them use the budget tool optimally.

## **Case Study 2 — Taxi Co-operatives**

The trade union GMB has recently been campaigning on the rights of the self-employed to 'worker' status, alongside the long-term relationship they and Unite have representing and negotiating for taxi drivers across the UK.

Taxi drivers are almost all self-employed. Many drive their own cabs, but others rent cabs by the day from private entrepreneurs who also control the radio networks and routing systems.

Many taxi co-operatives have come and gone over the years, often because of lack of support from the local authorities that issue the licences, combined with the unfavourable terms imposed by the radio network operators. The network operators usually charge a percentage of fares taken and may also impose additional requirements such as an obligation to rent or buy the cabs from specified sources or even to purchase fuel from selected garages.

Taxi co-operatives have been around for a long time in Birmingham, Southend-on-Sea, Bridgnorth, and in Dunbartonshire in Scotland. However, while some have slipped away through demutualisation, new taxi co-operatives continue to replace them.



One city where they have had a long-term presence is Edinburgh, where the taxi business is dominated by two taxi co-operatives; City Cabs<sup>7</sup>, which was established in 1925, and Central Taxis<sup>8</sup>, which has been in operation since 1971. City has 400 members and 1,100 registered drivers, whilst Central also has 400 members and 1,300 registered drivers.

City Cabs was formed when twenty-five taxi drivers got together and decided to form an association to benefit the Edinburgh taxi trade and its drivers. There were originally 87 members and the joining fee was 1 Guinea. The original minutes for the inaugural meeting held on 13 September 1925 are kept at the City Cabs' office in Edinburgh. As Les Mcvay, the City Cabs Company Secretary put it:

In 1925 the Labour and TU movement was weak, so the original members, who wanted to control their own destiny, simply took control of their own lives.

Both co-operatives, as well as the third operator, Singapore owned Com Cabs, work closely with Unite to negotiate with the City Council over rates and licence conditions. The number of licenced cabs is strictly regulated in Edinburgh, and has been so for a long time, apart from a period between 1985 and 1995. Consequently, the number of hackney cab plates (which are specific to each vehicle and linked to a strict specification and a regular MOT style testing regime) are limited and are only transferable for a cost of £30,000. This is separate to the driver's licence, which is issued to the individual driver. This ensures that all owners have made a serious financial commitment and are therefore encouraged to invest in their vehicles as well.

Beyond the UK, the **Green Taxi Coop**<sup>9</sup> in Denver, is a co-operative that is fully unionised. Founded in response to the "Uberisation" of the taxi market in Denver, Green Taxi is the biggest taxi business in the city with 800 drivers, from 37 different nationalities, and 37% of the market. It is now the second largest worker co-operative in the United States.

Jason Wiener, lawyer for Green Taxi, describes the background:

These monopolies [Metro, Colorado Springs shuttle and Dashabout Roadrunner shuttle] rig the game for their own benefit. On the other hand, the choice between a monopoly and Uber, who has very little interest in securing the passenger or sustainably supporting the driver, between that is a huge opportunity and that's where Green Taxi fits in.

Worker owned taxi co-operatives already had a foothold in Colorado. **Union Taxi**<sup>10</sup> of Denver, founded in 2008, had 264 drivers. But as they looked for ways to reach a scale that could compete with Uber and Lyft (there are approximately seven times more Uber drivers in Denver than regulated taxis), they ran up against transportation licensing laws in Colorado, which made it easier to form a new firm than expand Union Taxi.

With the support of Communications Workers of America Local 7777 (CWA)<sup>11</sup>, which even included offering members rent-free accommodation in the union offices, the new Green Taxi Coop was formed in the summer of 2014.

Michael Peck of the "1Worker1Vote" campaign in the USA has confirmed that further work on replicating the Green Taxi model is also underway in Philadelphia, Boston, Baltimore, New York, and San Francisco.

## Using technology

Green Taxi Co-operative uses a tailored app. There is a thriving market in these tailored apps, and examples include Cordic, used by both Central Taxis and City Cabs in Edinburgh, Cabgo which has been developed by Paul McCormack of Phoenix Taxi Co-op in Liverpool, AutoCab used by Green Taxi Co-op in Denver, whilst Union Taxi Co-op in Denver have developed their own.

It is technically comparatively easy for a co-operative or trade union to licence an off-the-shelf app like the ones listed and set it up to work across the entire UK, thus undermining the advantage that Uber and Lyft have in the taxi market — their geographic reach. All it needs is



for the co-operatives or unions to work together to broker a contract for such a system across the co-operatives/companies, and by licensing in this way, the upfront costs would be modest.

## London cabbies get organised

But in the UK, some hackney drivers have already taken it one step further. Sean Paul Day became a black cab driver 18 years ago, and he has helped to establish a co-operative to operate a black cab only app in London. Taxiapp Ltd. was established as a “not for profit co-operative” in July 2016, and has developed its own app, Taxiapp<sup>12</sup> for both Android and iPhones, which has been created for them by Multi Brains LLC, an Estonian based taxi app developer.

Taxiapp Ltd is 100% owned by London black cab drivers, with no outside shareholders or investors. It only allows fully licensed black cab drivers, all of whom have, of course, taken the “knowledge”, to use the app. It allows passengers to book and pay like they would through Uber, but rather than the app fixing the price, that can be subject to huge surges, the fare is always decided by the meter.

Taxiapp provides a better deal for cabbies. Unlike Uber which deducts approximately 25% of the fare in commission, Taxiapp simply charges drivers a flat fee of £20 per month, plus a credit card fee only if the fare is paid by the app, and many are still of course paid in cash.

Unlike Uber, it is built on transparency and promotes fair economic growth and was launched in October 2017 with a new feature to protect the ritual of hailing a cab. Users will be able to see on the app how many black cabs are waiting at a rank or on the street nearby, so they can go out and hail a cab, without the need to pre-book.

One reviewer on the iTunes download website<sup>13</sup> says:

The best app for taxis around London! I was using Uber but after a few drivers making me feel uncomfortable I decided to give this a try. Cut my journey time by around 30% really happy!

Transport for London rescinded Uber’s licence to operate in London on 22 September 2017, but they didn’t disappear off the streets as they were allowed to operate pending an appeal, which they have now won. Sean Paul Day, Taxiapp London founding member, said of the original decision:

Today’s decision proves that our laws have to be respected and that London’s private hire industry should not be dominated by multinational companies. This a crucial time for tech starts-up like Taxiapp, who continue to prove more self-sufficient, having been able to survey the horizon and grow in a more sustainable way that puts both drivers and passengers at the forefront.

Uber have, however, only been granted a 15-month licence to ascertain if they will really improve their operations, in particular in relation to vetting prospective drivers properly and reporting complains of crime to the police in a timely fashion.

## Conclusions from this Research

- **Business and employment co-operatives:** This co-operative innovation, developed in France as an umbrella company solution over the past 20 years and replicated in Belgium by SMart and Doc Servizi in Italy, has shown how co-operatives can enable freelance workers to secure decent work, low cost insurance, access to benefits and have their needs collectively met through the co-operative and with a digital support system like the online tools developed by SMart.

However, replicating this in the UK will not be easy, where the social security system is of much poorer quality, and is widely perceived as poor value for money, especially by the precariat who have suffered a declining income over recent years, and who simply cannot afford the extra deductions that would come with an employment status change.

Our view is that such an initiative in the UK, would need to provide all the back office functions of SMart and CAEs, whilst allowing its members to maintain their self-employed status if they wished.

- **Freelance unions and co-operatives:** There are a good range of examples in the media and creative industries sector where trade unions such as BECTU, Equity and the Musicians' Union have encouraged the creation of co-operatives for freelancers that can provide complementary solutions. Co-operatives can replace for-profit labour intermediaries and share the economic benefits with worker owners, whilst trade unions can provide representation to maintain qualification levels, terms and conditions, health and safety, etc.
- **Platform co-operatives:** This is a new and growing area of innovation. The partnerships between trade unions and taxi co-operatives to develop mobile apps are a good beginning. The work in the USA by SEIU to develop mobile apps and potential platform co-operative solutions for registered childminders and community nurses is pioneering. The success of Stocksy United in Canada as a co-operative ownership solution for photographers and the recent development in the UK of Co-Technologists as a co-operative consortium for worker co-operatives in the tech sector has the scope for significant growth.
- **Legal campaigns and city council licensing:** Trade unions are successfully challenging 'false self-employment' in the courts and securing workers' rights. The trade union law suits against Uber and CitySprint upheld by the Employment Tribunal are landmark decisions. The 2016 local ordinance in Seattle to give collective bargaining rights to Uber and Lyft drivers is a major example of the use of local authorities' existing powers in a novel way, and other legislatures need to consider how and where they could intervene for the benefit of their electorate.
- **Union co-operatives:** The model for developing co-operatives that are unionised from the outset began with the United Steelworkers in the USA and has been taken up and implemented by a growing number of other trade unions. It uniquely brings together worker ownership and worker control with collective bargaining. It also provides a mechanism whereby trade union membership can be made compulsory again, as it is possible to specify qualification for membership of a co-operative, and one of these qualifications could be trade union membership. This would still allow individuals to work at the co-operative without joining, but they couldn't get the benefits of membership. Unfortunately, there is still a lack of understanding in the UK about co-operatives, and in particular the differences between worker and consumer co-operatives, and how trades unions could fit into the governance system of worker co-operatives. Much work is needed to develop the mechanisms for this.
- **Support systems for worker co-operative development:** If worker co-operatives are to develop to address the needs of the precariat, then we need a more supportive business development structure in the UK, with the co-operative option fully supported (whereas in most business creation programmes, the co-operative possibility is usually ignored) as well as a closer understanding between the co-operative and labour movements of the mutual benefits.  
The UK has relatively few worker owned co-operatives, only around 500, whereas Italy by contrast has more than 24,000 worker and social co-operatives (employing 827,000), Spain has about 17,000 (employing 210,000 people), and France has 2,600 (employing 51,000 people). This transformation was propelled both by legislation in Italy in 1985, and in France, new legal structures designed especially for worker owned co-operatives, as well as legislation that ensures a co-operative transition is always considered when businesses are sold or closed.

## Further Reading

All three of our reports are available free to download — see the References. In them we provide much more detail and further conclusions.

The world is constantly changing, however, and there is more work to be done to research what is possible, and to work with others to develop co-operative, mutual, and trade union solutions. This work is urgent as the private sector, particularly the vulture capitalists, are moving into developing, growing, and promoting a whole range of systems and platforms for the benefit of their investors. The hard-fought gains of the labour movement are being eroded rapidly in order to increase private investors' profits.

## The Author

After 11 years working in the nuclear and conventional power industry, Alex Bird co-founded a printing co-operative, Fingerprints, where he worked for 20 years before becoming the Community Enterprise Officer for Cardiff Council, and then CEO of a care charity, Innovate Trust.

He is now a freelance co-operative researcher, policy adviser, consultant and business adviser, and is a founder member of the consultancy.coop. He is also Chair of both the Development Co-op and Cardiff YMCA Housing Association, a founder of Co-operatives and Mutuals Wales, and sits on the Members Panel of Dwr Cymru, the Welsh Water mutual.

He co-authored the *Not Alone* and *Working Together* reports into the needs of freelancers as well as *Organising Precarious Workers: Trade Union and Co-operative Strategies* for the TUC.

Together with his colleagues, Pat Conaty, Cilla Ross and Philip Ross, he has been researching the needs of the self-employed and possible co-operative and trade union solutions to their needs. This work has been funded by Unity Trust Bank, Co-operatives UK, Wales Co-operative Centre, the Institute for Solidarity Economics, the Network for Social Change, Community Union, and the TUC.

The research looked at existing solutions from across Europe and the North America, and this article looks at two of those case studies: SMart, a Belgian back office co-operative and taxi co-operatives. The research was commissioned and published by Co-operatives UK, the Co-operative College, and the TUC.

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## Notes

- 1 <http://www.cooperer.coop>
- 2 <https://www.copea.fr>
- 3 <http://www.docservizi.it>
- 4 Innovative cooperation's model in Europe - A solution to the growing uncertainty in the world of work; Francesca Martinelli <https://www.ilpc.org.uk/Portals/56/ilpc2018/ILPC2018-Programme.pdf>
- 5 [www.inasti.be](http://www.inasti.be)

- 6 [https://account.ubik.be/accountlogin.aspx?lang=fr&KeepThis=true&target=\\_blank](https://account.ubik.be/accountlogin.aspx?lang=fr&KeepThis=true&target=_blank)
- 7 <http://www.citycabs.co.uk/about>
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- 9 <http://greentaxico-op.com>
- 10 <http://www.uniontaxidenver.net>
- 11 <http://cwa7777.org/index.cfm>
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