Co-operating Together? Co-operatives and Trade Unions

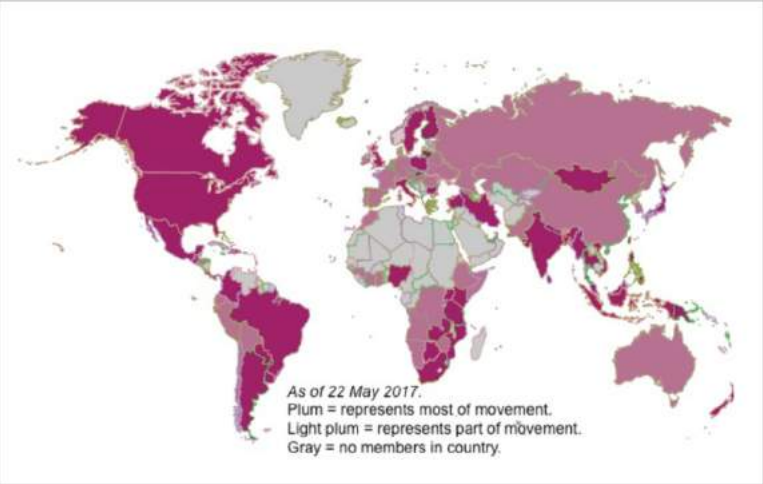
- Alex Bird
- GLU Alumni Summer School
- Kassel
- April 1st 2019

About

Cooperatives Europe is the European region of the International Cooperative Alliance

ICA **unites**, **represents** and **serves** cooperatives worldwide

Founded in 1895 – Today over **300** organisations in **110** countries



The global cooperative system

About

Cooperatives Europe is the voice of Cooperative Enterprises in Europe

- 84 member organizations | 33 European countries | across all business sectors

140,000,000
member co-operators

176,000
cooperative enterprises

4,700,000
jobs for EU citizens

Our activities

We **advocate** for the plurality of business forms in Europe

We **communicate** to raise awareness about the cooperative business model

We promote **inter-cooperation** among cooperatives

Some thoughts on history……

Those who do not remember the past are condemned to repeat it

George Santayana: 1863 - 1952

History repeats itself, first as tragedy, second as farce

Karl Marx: 1818 - 1883

The early Trade Unions & Co-operatives
The Fenwick Weavers Society (1761)

The early Trade Unions & Co-operatives
The Fenwick Weavers Society (1761)

- If you're Scottish, this was the world's first co-op
- 1769 - Formed as a Society on March 14th in Fenwick, East Ayrshire.
- 1769 - The society formed a consumer co-operative for the benefit of members. The original purpose of the society was to foster high standards in the weaving craft, but activities later expanded to include collective purchasing of bulk food items and books.

The early Trade Unions & Co-operatives

- 1819 - The Peterloo Massacre took place at St Peter's Field, Manchester, England, on 16 August 1819. Cavalry charged into a crowd of around 80,000 who had gathered to demand the reform of parliamentary representation
- 1821 - The Manchester Guardian was founded by cotton merchant John Edward Taylor with backing from the Little Circle, a group of non-conformist businessmen. They launched their paper after the police closure of the Manchester Observer, a paper that had championed the cause of the Peterloo Massacre protesters.
- 1824 - Robert Owen travelled to America, where he invested the bulk of his fortune in an experimental socialistic community at New Harmony, Indiana, the preliminary model for Owen's utopian society. The experiment was short-lived, lasting about two years before slowly descending into chaos.

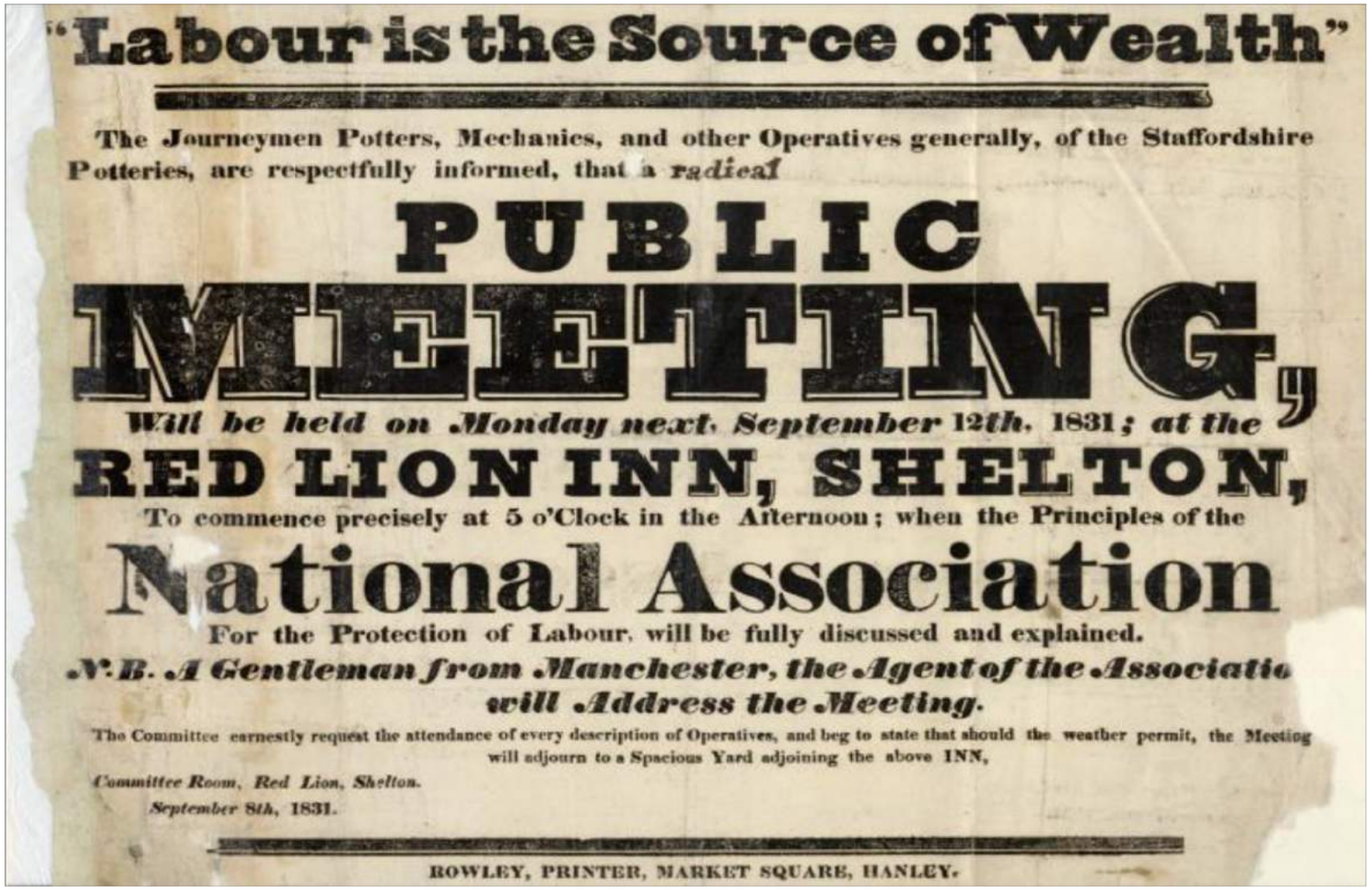
The early Trade Unions & Co-operatives

1826 - Robert Owen, following his return from America, started “The Co-operative” magazine including accounts of the New Harmony community. It was published until 1829 as a sixpenny monthly.

1830 - it was replaced by the “British Co-operator”, the “Co-operative Miscellany” and other journals that expounded Owen's theories.

The early Trade Unions & Co-operatives

The National Association for the Protection of Labour



"Labour is the Source of Wealth"

The Journeymen Potters, Mechanics, and other Operatives generally, of the Staffordshire Potteries, are respectfully informed, that a *radical*

PUBLIC MEETING,

Will be held on Monday next, September 12th, 1831; at the

RED LION INN, SHELTON,

To commence precisely at 5 o'Clock in the Afternoon; when the Principles of the

National Association

For the Protection of Labour, will be fully discussed and explained.

N.B. A Gentleman from Manchester, the Agent of the Associatio will Address the Meeting.

The Committee earnestly request the attendance of every description of Operatives, and beg to state that should the weather permit, the Meeting will adjourn to a Spacious Yard adjoining the above INN,

Committee Room, Red Lion, Shelton.
September 8th, 1831.

ROWLEY, PRINTER, MARKET SQUARE, HANLEY.

The early Trade Unions & Co-operatives

1830 - The National Association for the Protection of Labour was established by John Doherty, after an apparently unsuccessful attempt to create a similar national presence with the National Union of Cotton-spinners.

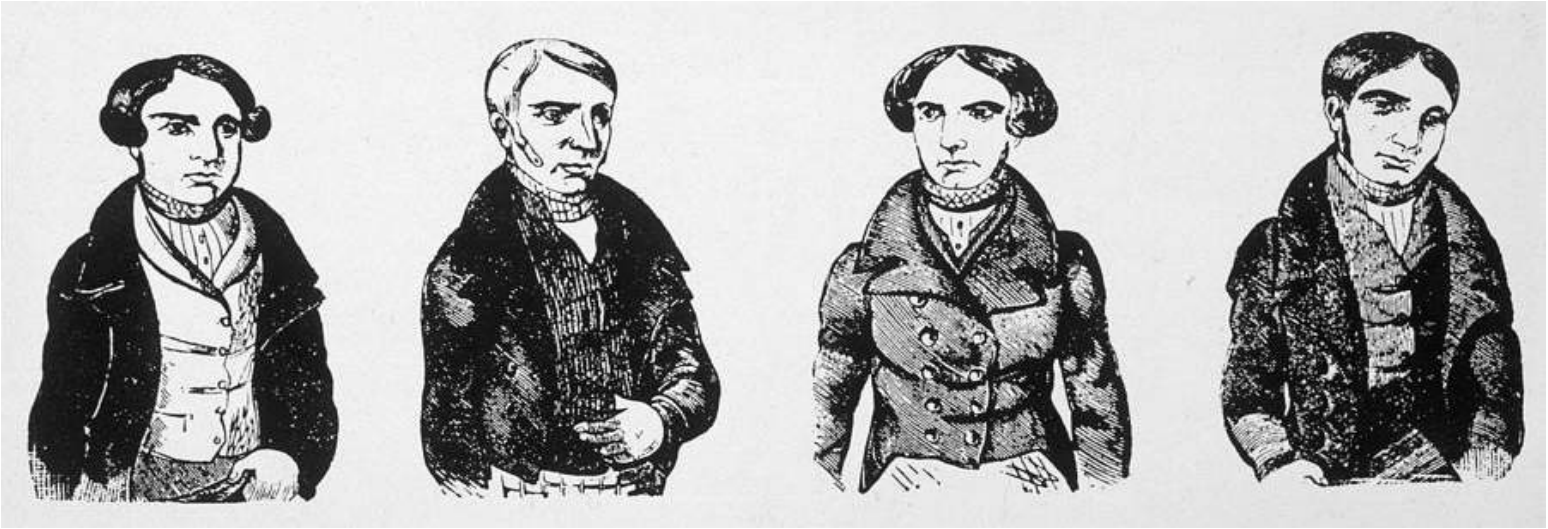
1831 - Membership rose to around 20,000 in 150 unions within a year. The union started the weekly “Voice of the People”, having the declared intention *"to unite the productive classes of the community in one common bond of union.”*

1833 - Robert Owen established the Grand National Consolidated Trades Union. The organization attracted a range of socialists from Owenites to revolutionaries and played a part in the protests after the Tolpuddle Martyrs' case. 500,000 people signed up in the first week, but it collapsed soon after following the imprisonment of many of its members.

The early Trade Unions & Co-operatives
The Tolpuddle Martyrs

1834 - The Tolpuddle Martyrs were a group of six Dorset agricultural labourers who were arrested on February 24th for swearing an illegal oath as members of the Friendly Society of Agricultural Labourers.

On 18 March 1834, they were convicted under the and sentenced to penal transportation to Australia.



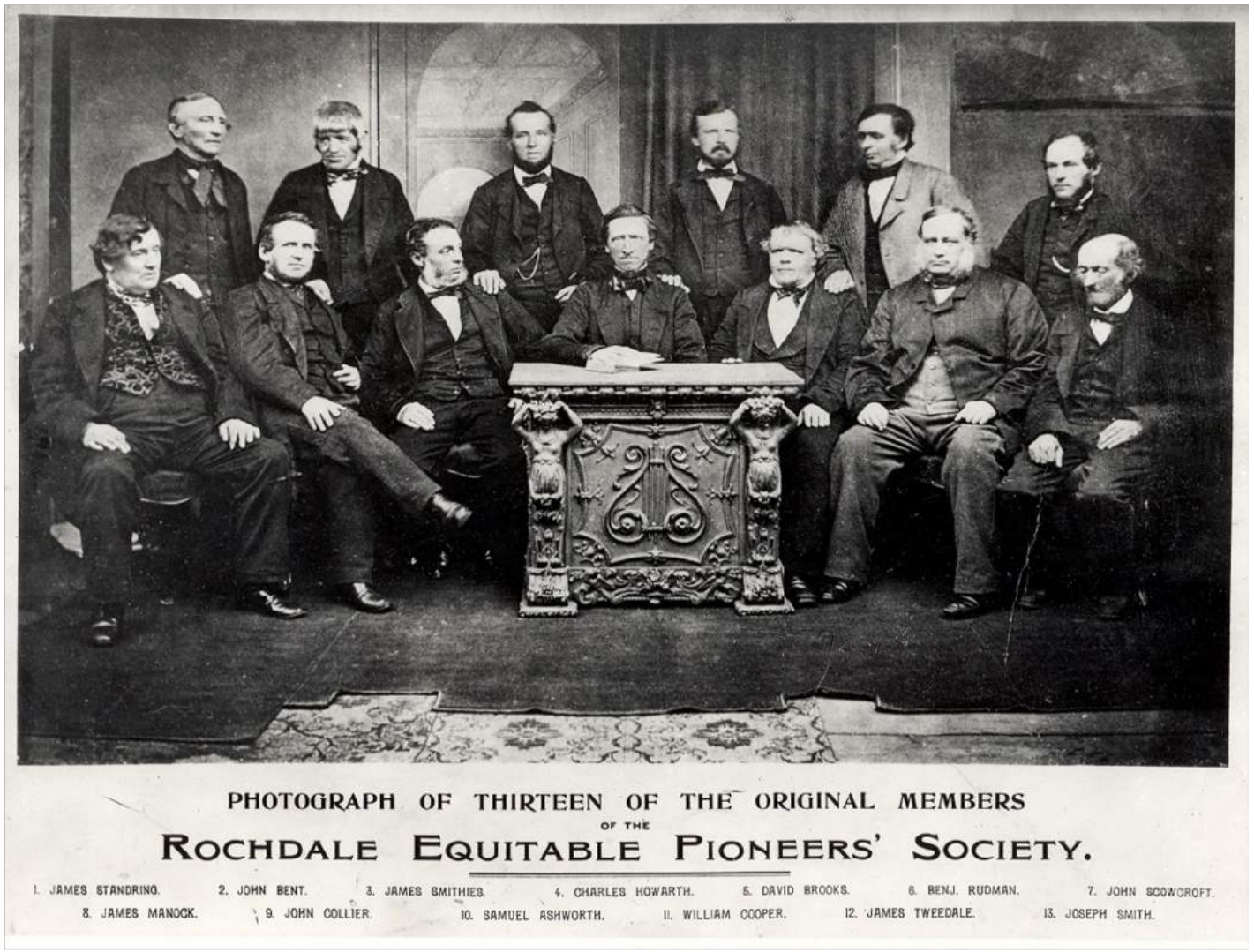
“We raise the watchword, liberty. We will, we will, we will be free!"

The early Trade Unions & Co-operatives
The Tolpuddle Martyrs

The early Trade Unions & Co-operatives
The Rochdale Pioneers (1844)

- 1844 - The Rochdale Society of Equitable Pioneers was a group of 28. Around half were weavers.
- With lessons from prior failed attempts at co-operation in mind, they designed the now famous Rochdale Principles, and over a period of four months they struggled to pool £1 per person (equivalent to £123.40 today) for a total of £28 (£3,455) of capital.
- 21 December 1844 - They opened their first store with a very meagre selection of butter, sugar, flour, oatmeal and a few candles. Within three months, they expanded their selection to include tea and tobacco, and they were soon known for providing high quality, unadulterated goods.
- 1894 - The British co-operative movement had grown to nearly 1,000 co-operatives.

The early Trade Unions & Co-operatives
The Rochdale Pioneers



PHOTOGRAPH OF THIRTEEN OF THE ORIGINAL MEMBERS
OF THE
ROCHDALE EQUITABLE PIONEERS' SOCIETY.

1. JAMES STANDRING. 2. JOHN BENT. 3. JAMES SMITHIES. 4. CHARLES HOWARTH. 5. DAVID BROOKS. 6. BENJ. RUDMAN. 7. JOHN SCOWCROFT.
8. JAMES MANOCK. 9. JOHN COLLIER. 10. SAMUEL ASHWORTH. 11. WILLIAM COOPER. 12. JAMES TWEEDALE. 13. JOSEPH SMITH.

The early Trade Unions & Co-operatives
Knights of Labor (1869-1890)

"Vote as you strike, strike as you vote, and build the cooperative commonwealth."

The early Trade Unions & Co-operatives Knights of Labor (1869-1890)

- 1869 - The Noble and Holy Order of the Knights of Labor, was the largest American labor organization of the 1880s. It was founded by Uriah Stephens on December 28, 1869, reached 28,000 members by 1880, then jumped to 100,000 in 1884.
- 1886 - 20% of all US workers were affiliated with the Knights - nearly 800,000 members.
- Often a strike would turn into a coop so that the workers could provide for themselves while they were striking. They also campaigned for a more equitable economy including co-operatives as major actors
- They became so successful that they were viciously attacked and boycotted……and following the rise in industrial standards, improving pay and working conditions, coops as a way to improve workers lives was no longer seen as relevant and this commitment faded away
- Arguably the first combination of TU and Co-operative working together

What's a Co-op? - The Co-operative Principles

1. Voluntary and Open Membership – *anyone who qualifies can join*
2. Democratic Member Control – *generally one member one vote*
3. Member Economic Participation – *subscriptions, wages or investment*
4. Autonomy and Independence – *not owned or controlled by outside bodies*
5. Education, Training and Information – *for members to participate and to educate public*
6. Co-operation among Co-operatives – *working and/or trading with others*
7. Concern for Community – *involvement in campaigns/politics*

What's a Co-op? - The Co-operative Principles

- Original version part of the statement of the Rochdale Pioneers
- 1937, 1966 and 1995 - ICA has undertaken three reviews of the Co-operative Principles.
- These reviews modernised the idea of Co-operation, maintained its relevance and provided an up-to-date test of whether an organisation qualified to call itself a co-operative.
- 1995 - The definition of a co-operative as established in the Co-operative Principles has been included in a number of policy documents including the United Nations Guidelines, the International Labour Organisation Recommendation 193 on the Promotion of Co-operatives, the European Co-operative Statute and a number of national laws, but not in the UK.

R193 - Promotion of Cooperatives Recommendation, 2002 (No. 193)

Recommendation concerning Promotion of Cooperatives.

Adoption: Geneva, 90th ILC session (20 Jun 2002) - Status: Up-to-date instrument.

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4. Measures should be adopted to promote the potential of cooperatives in all countries, irrespective of their level of development, in order to assist them and their membership to:

a) create and develop income-generating activities and sustainable decent employment;

b) develop human resource capacities and knowledge of the values, advantages and benefits of the cooperative movement through education and training;

c) develop their business potential, including entrepreneurial and managerial capacities;

d) strengthen their competitiveness as well as gain access to markets and to institutional finance;

e) increase savings and investment;

f) improve social and economic well-being, taking into account the need to eliminate all forms of discrimination;

g) contribute to sustainable human development; and

h) establish and expand a viable and dynamic distinctive sector of the economy, which includes cooperatives, that responds to the social and economic needs of the community

What's a Union – Trade Unions & Co-op Principles

1. Voluntary and Open Membership – *any employee can join*
2. Democratic Member Control – *elected officials, one member one vote*
3. Member Economic Participation – *pay subscriptions*
4. Autonomy and Independence - *Very*
5. Education, Training and Information – *Trade Union Education and summer schools*
6. Co-operation among TUs – *Federations of TUs*
7. Concern for Community – *Campaigns and Political Affiliations*

So are Trade Unions a form of Co-operative?

Types of Co-op

- **Consumer:** owned by consumers who buy goods or services from their co-operative
- **Worker:** owned and democratically governed by employees who become co-op members
- **Producer:** owned by producers of commodities or crafts who have joined forces to process and market their products
- **Purchasing:** owned by independent businesses or municipalities to improve their purchasing power
- **Housing:** jointly owning and/or managing housing
- **Social:** providing services to the disadvantaged and disabled, with a democratic input from the service users and/or staff
- **Financial:** Credit Unions, Banks, Mutual Guarantees Societies
- **Multi-stakeholder:** a combination of co-op types, usually combining the interests of workers and consumers, but also often including other stakeholders

Dutch Trade Unions & Co-ops

- Dutch politics are complicated
- As in many European Countries there are religious divisions, principally between Catholic and Protestant
- Catholicism was outlawed in the 1600s, but tolerated to a degree – viz the *Ons' Lieve Heer op Solder* in Amsterdam created in 1663
- Catholicism officially supports co-operation, especially following the Papal Encyclicals of Pope Leo XII on 15th May 1891 and Pope Pius XI on 15th May 1931

FNV Trade Union Confederation

- **The FNV** (Federatie Nederlandse Vakbeweging) is the largest of the three Dutch trade union federations. It dates back to 1906.
- Its forerunners included the socialist **NVV** (Nederland Verbond van Vakverenigingen) founded in 1906, and the **KV** (Katholiek Vakbureau), founded in 1909
- **THE NVV** was founded in 1906. It was a socialist trade union federation (Nederland Verbond van Vakverenigingen/Dutch Confederation of Trade Unions).
- **The CNV** was founded on May 13, 1909, in Arnhem as a federation of several Christian unions (Christelijk Nationaal Vakverbond/National Federation of Christian Trade Unions). It was founded in reaction to the socialist NVV.
- **The RKWV** was founded in 1912, when the Roman Catholic bishops spoke out against inter-confessional unions. All Catholics left the CNV and founded a separate union, the RKWV (Rooms-Katholieke Werklieden Verbond/Roman Catholic Workers' Union). Later retitled **KV** (Katholiek Vakbureau),

FNV Trade Union Confederation

- **The VCP (Vakcentrale voor professionals)** was founded in 1966 as the NCHP**.** It is a non religious and aimed at professionals. The VCP represents technical and managerial workers in over 50 affiliated organisations, most of which are small trades unions and staff associations
- In the 1970s, because of the increasing secularisation of Dutch society, the Socialist NVV, the Protestant CNV and the Catholic NKV opened talks to form one single federation.
- In 1974 the CNV left those talks.
- In 1976 the NVV and NKV agreed to merge to form the FNV, formally established in 1982, representing 1,016,000 members, and is the largest of the three federations.
- At the end of 2014 the FNV and most of its federated unions merged into a single FNV union with 900,000 members. Some smaller unions with 200,000 members remained separate, but affiliated to the FNV

FNV and the self-employed

The FNV has five unions that actively recruit the self-employed

- Graphic/pre-publishing, packaging, audiovisual, publishing sectors
- Construction, wood and furniture industry, housing services
- Journalism
- Beauty

FNV and the self-employed

- **FNV Zelfstandigen** https://fnvzzp.nl
- Membership is open to the self-employed working for a private company or freelance, but not employing other people
- FNV Zelfstandigen has approx 12,000 members

FNV and the self-employed

- FNV has over 20,000 members that are identified as self-employed
- Some “Sectors” do not identify their self-employed members, so it may be many more
- FNV has established a specialist centre to deal with self-employed issues such as insurance and commercial contracting
- FNV campaigns against forced self-employment whilst supporting those who willingly choose to be freelance (ZZP’ers)
- FNV has a special subscription deal for 100% Union Co-ops which includes support for members as employees, **and** legal support for the co-op business

DeltaMetaal Co-op

- DeltaMetaal Foundation http://www.deltametaal.nl is a not for profit employment agency founded by a number of companies, employers' organisations and trades unions in the Rijnmond and Drechtsteden regions, to ensure reliable working relationships and high quality craftsmanship
- It has a Board of Trustees consisting of the directors of the 18 participating companies and an Advisory Council on which employers and workers organizations are represented

DeltaMetaal Co-op

- It also has an associated co-operative for ZZP’ers (freelancers) which it administers
- Profits are shared with the co-op members
- FNV has negotiated a special subscription package for the co-op members

Artists Co-ops

- Some long established
- Often based around a Gallery or Sales Space
- www.makersguildinwales.org.uk
- Established in 1984
- 83 active members
- Runs a gallery in the Cardiff Bay development

Actors Agency Co-ops

- Established 1977, Oren Actors' Management is the longest running actors' agency in Wales. They represent a wide range of professionally trained actors with extensive experience in the industry. Oren provides actors for television, film, radio, theatre and commercials throughout the UK and abroad.
- http://www.orenactorsmanagement.co.uk
- Members have worked for the BBC, ITV and S4C, playing roles in Da Vinci's Demons, Doctor Who, Torchwood, Emmerdale and many more. Oren Actors Management also supply actors for some of the leading theatre companies the UK including the National Theatre Wales, Leicester Haymarket, Punchdrunk, and also for Wales based companies including Clwyd Theatre Cymru, Sherman Cymru and Theatr Genedlaethol Cymru.

Actors Co-op Network - CPMA

- Co-operative Personnel Management Association
- Founded in 2002 with the support of Equity
- 30 member Actors Co-operatives across UK
- Regular input into the development of Equity agreements and are consulted by Equity on industry issues.
- The CPMA is also represented on major working parties about future plans in different areas of employment with Equity and the PMA.
- http://cpma.coop

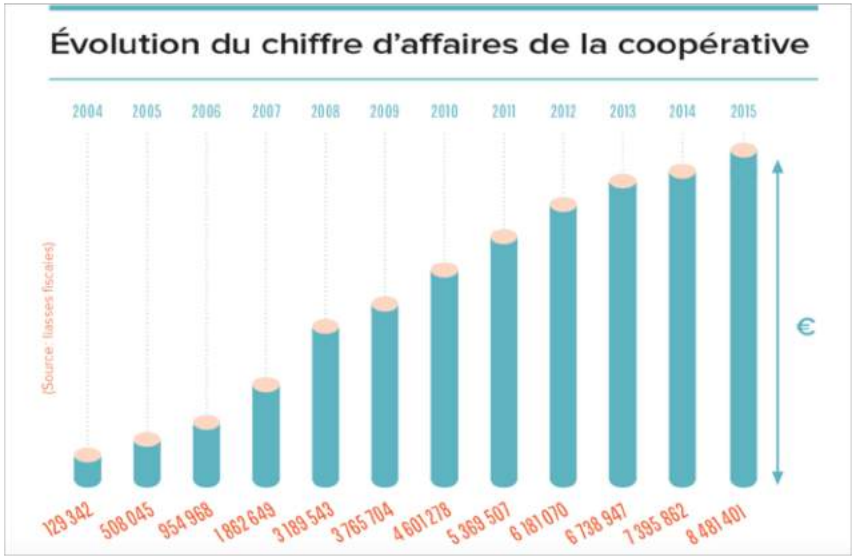
Musicians Co-ops

- Some groups act as co-ops. From Miles Davies to Gruff Rhys of the Super Furry Animals there have been experiments in co-operation
- A number of orchestras, in Canada, Spain, Italy and UK are co-ops, including the London Symphony Orchestra
- **The Musicians Union is a member of Co-operatives UK, an umbrella group for the co-operative movement as well as the TUC.**
- The MU helped establish music co-operatives in the 1990's in Newcastle (NEMCO), North East Lincolnshire (Music Lincs) and Swindon (SMC).
- More recently the MU helped a group in Milton Keynes form their teaching co-operative following the council's decision to sack all the teachers, and has created two new ones in N Wales.
- The teachers in these co-operatives are self employed and are fairly rewarded.
- The MU advocates co-operation since the alternatives may result in a less welcome deal for teachers.

Business and Enterprise Co-ops

- The first **Cooperatives d'Activités et d'Emploi** (CAE) was started in Lyon in 1995 as a way to help the unemployed off benefits and back into work.
- They offer a basic salary, paid as an employee via the French equivalent of a proper contract and PAYE.
- When a claimant joins, they are offered training and support whilst they can continue to claim benefits. They can then start up their "business" inside the CAE's legal structure, whilst continuing to claim benefits.
- There are now 74 CAEs across France employing mutually over 7,000 entrepreneurs with a combined turnover of €90,000,000.
- They are brought together in the organisation **Cooperer pour Entreprendre**. http://www.cooperer.coop/les-cae-en-bref/

Coopaname
faire société

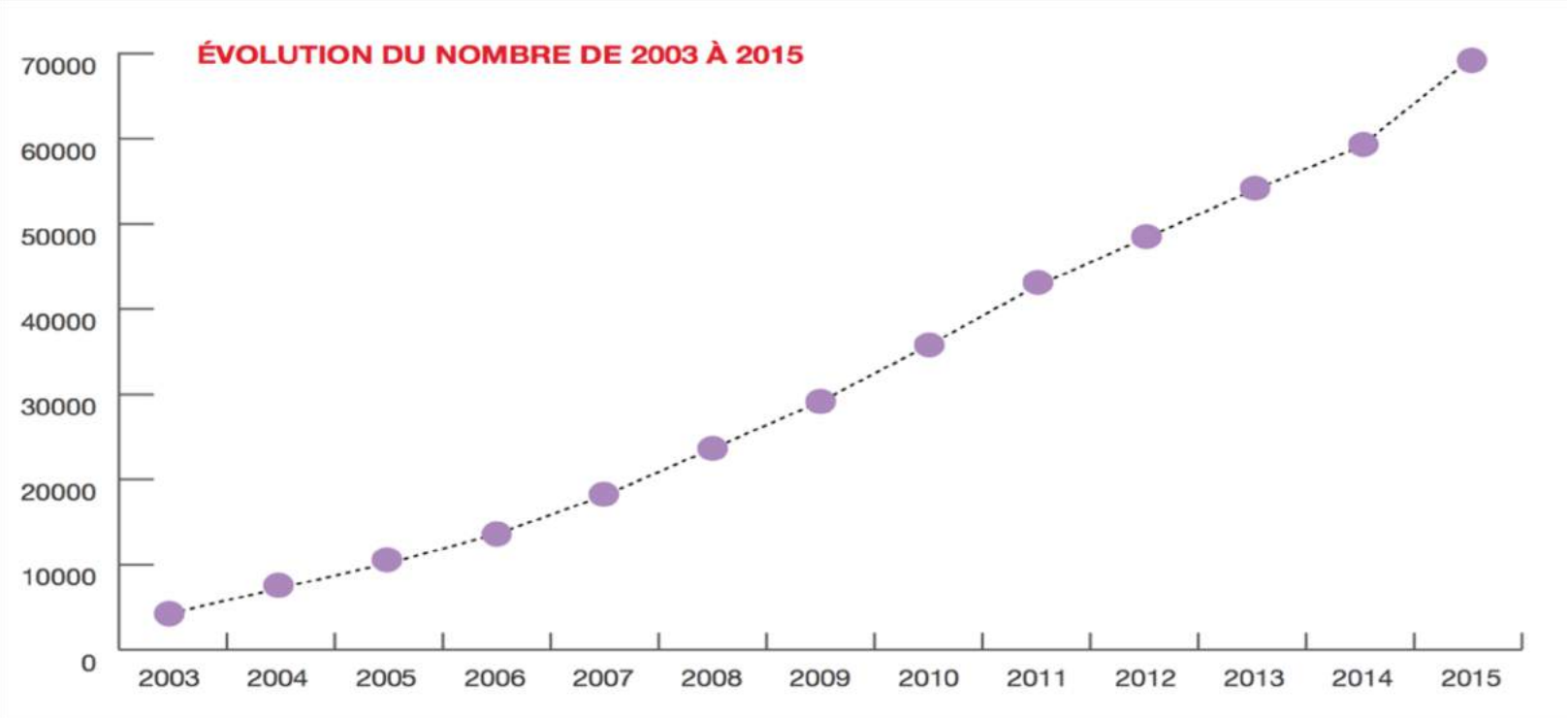


- Established in 2004, and operating from 10 locations across France
- Coopaname has around 850 members; craftspeople, freelancers and service providers, at various stages of development of the economic activities, that they support, alone or in co-operative groups.
- http://www.coopaname.coop

SMart Belgium

- **SMart (Société Mutuelle d'Artistes),** was formed in Belgium in 1998 by two film makers, Pierre Burnotte and Julek Jurowicz to enable artists, technicians and intermittent workers to face the administrative complexity of the arts sector in Belgium
- It is now a co-op, and supports all types of self-employed workers across 8 EU countries

SMart Belgium



MEMBERSHIP

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

indycube coworking

+

community
For a better working world

WAKEFIELD: KING STREET | WF1 2SQ

SWANSEA CENTRAL | SA1 1DP

CARDIFF: TRADE STREET | CF10 5DQ

WREXHAM: THE FOUNDRY | LL13

WREXHAM: THE FOUNDRY | LL13 8LW

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- Over 30 Indycube shared workspaces across the UK
- Joint membership with Community TU giving benefits such as legal advice, which now includes contract law, not just employment law
- New services include access to Invoice Factoring at a discounted price
- Worker Co-op and TU in partnership
- Community TU has invested time and money. An investment – not a loan or grant.

Union Co-ops

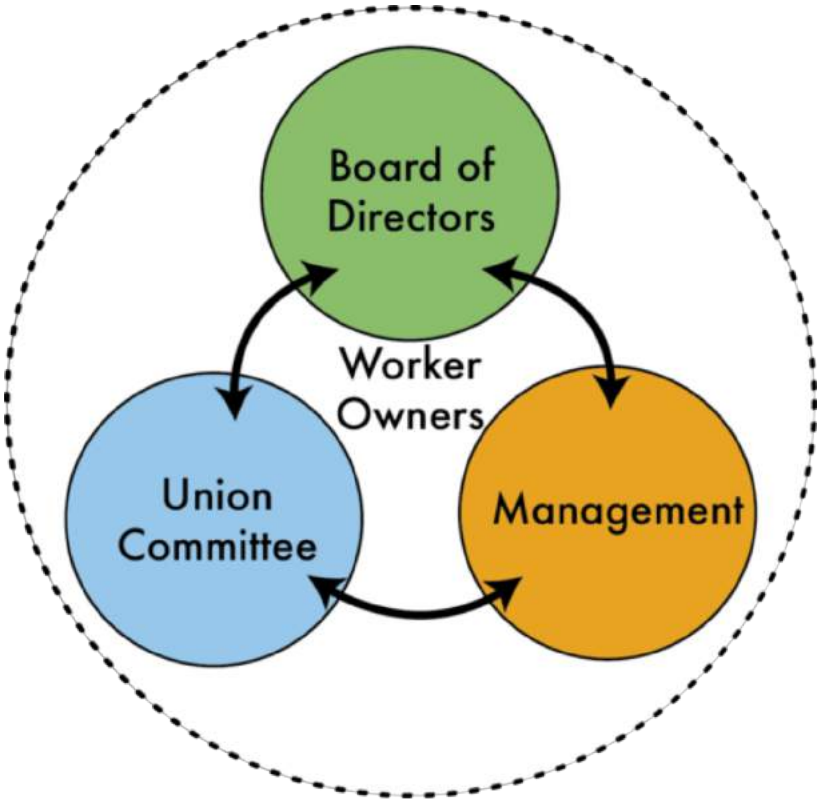
- Started with a partnership between the United Steel Workers and Mondragon Co-operative in Oct 2009
- Working across 10 cities
- Cincinnati, Pittsburgh, Buffalo, New York City, Denver, Las Vegas, Reading, Pennsylvania, Chicago, San Francisco-Oakland, St. Louis
- www.1worker1vote.org are now supporting the process in partnership with other Unions

Union Co-ops

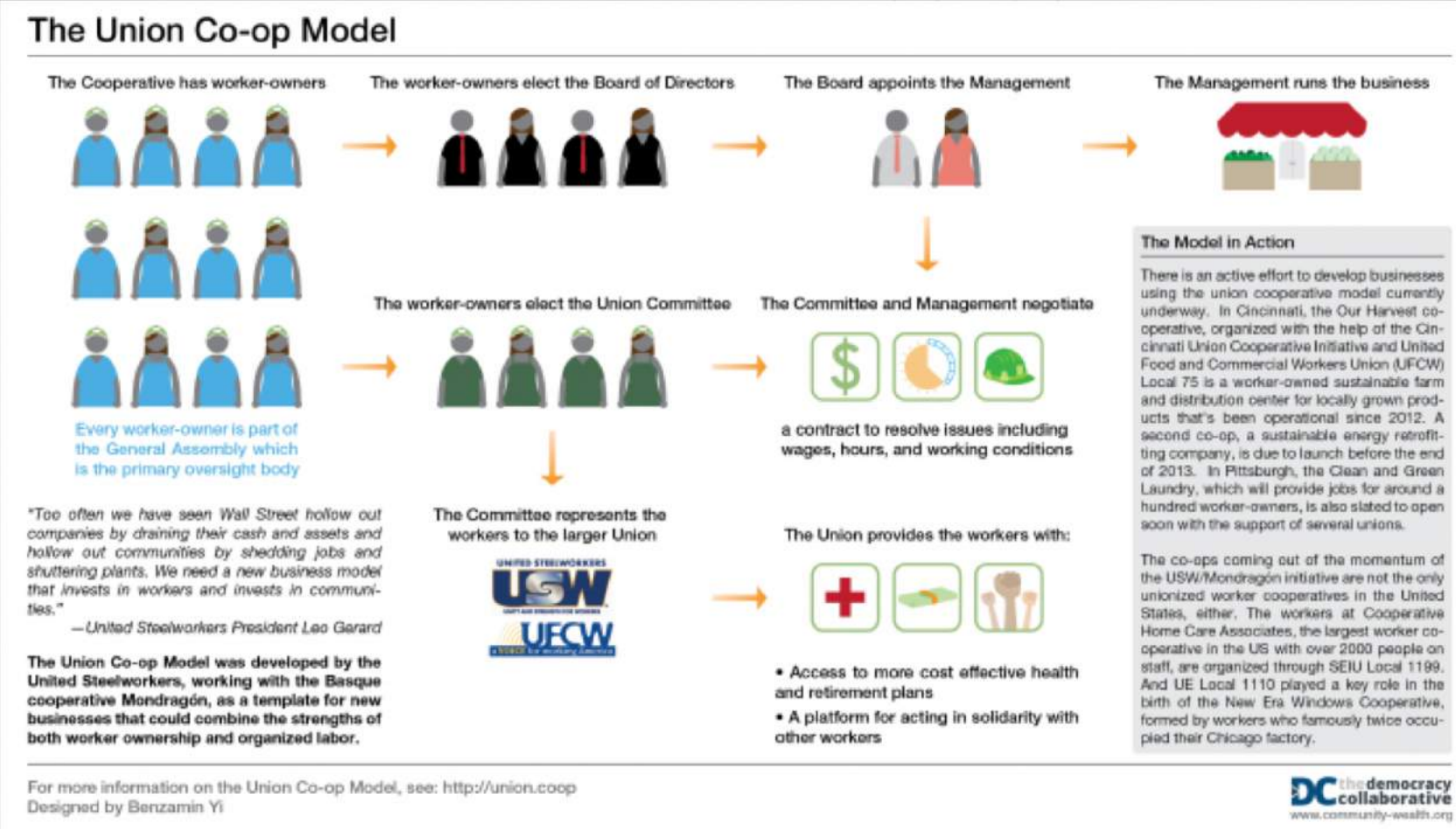
1:1

1worker1vote.org and Mondragon International North America are building a national network of unionized worker-owned cooperative businesses to overcome inequality of opportunity, mobility, and income.

- **Participating Labor Unions**
- United Steelworkers (USW) www.usw.org
- Service Employees International Union (SEIU) http://www.seiu.net
- United Food and Commercial workers (UFCW) http://www.ufcw.org
- International Union of Operating Engineers (IUOE) https://www.iuoe.org
- International Association of Machinists and Aerospace Workers (IAM) https://www.goiam.org



Union Co-ops

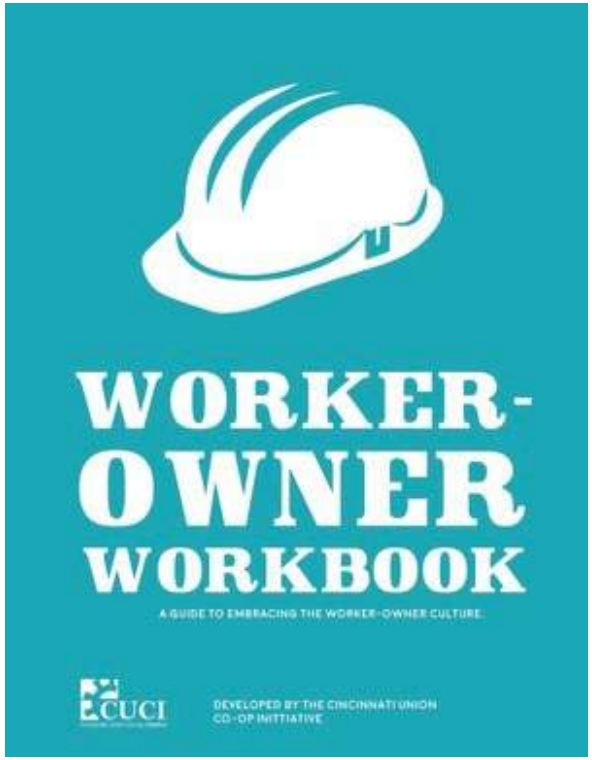

The Union Co-op Model
The Cooperative has worker-owners
The worker-owners elect the Board of Directors
The Board appoints the Management
The Management runs the business
Every worker-owner is part of the General Assembly which is the primary oversight body
The worker-owners elect the Union Committee
The Committee and Management negotiate
a contract to resolve issues including wages, hours, and working conditions
"Too often we have seen Wall Street hollow out companies by draining their cash and assets and hollow out communities by shedding jobs and shuttering plants. We need a new business model that invests in workers and invests in communities."
—United Steelworkers President Leo Gerard
The Union Co-op Model was developed by the United Steelworkers, working with the Basque cooperative Mondragón, as a template for new businesses that could combine the strengths of both worker ownership and organized labor.
The Committee represents the workers to the larger Union
The Union provides the workers with:
• Access to more cost effective health and retirement plans
• A platform for acting in solidarity with other workers
The Model in Action
There is an active effort to develop businesses using the union cooperative model currently underway. In Cincinnati, the Our Harvest cooperative, organized with the help of the Cincinnati Union Cooperative Initiative and United Food and Commercial Workers Union (UFCW) Local 75 is a worker-owned sustainable farm and distribution center for locally grown products that's been operational since 2012. A second co-op, a sustainable energy retrofitting company, is due to launch before the end of 2013. In Pittsburgh, the Clean and Green Laundry, which will provide jobs for around a hundred worker-owners, is also slated to open soon with the support of several unions.
The co-ops coming out of the momentum of the USW/Mondragón initiative are not the only unionized worker cooperatives in the United States, either. The workers at Cooperative Home Care Associates, the largest worker cooperative in the US with over 2000 people on staff, are organized through SEIU Local 1199. And UE Local 1110 played a key role in the birth of the New Era Windows Cooperative, formed by workers who famously twice occupied their Chicago factory.
For more information on the Union Co-op Model, see: http://union.coop
Designed by Benzamin Yi
the democracy collaborative
www.community-wealth.org

Union Co-ops and 1:1

1:1

1worker1vote.org and Mondragon International North America are building a national network of unionized worker-owned cooperative businesses to overcome inequality of opportunity, mobility, and income.

www.1worker1vote.org have now produced a handbook to guide unions and co-op through the process of creating a union coop



Trade Union benefits to a union co-op

- Employment law & industrial relations
- Health & Safety
- Pensions
- Policies and procedures
- Best practise
- Industry knowledge
- Contacts and relationships i.e. LAs, Health etc.
- Lobbying i.e. government, commissioners etc.

Benefit to workers in a union co-op

- Collective bargaining
- Representing worker/owners interests as workers - management/board represent their interests as owners
- Dispute resolution i.e. grievance etc.
- Disciplinary representation
- Education and training
- Benefits
- Services
- Raising social awareness/political education

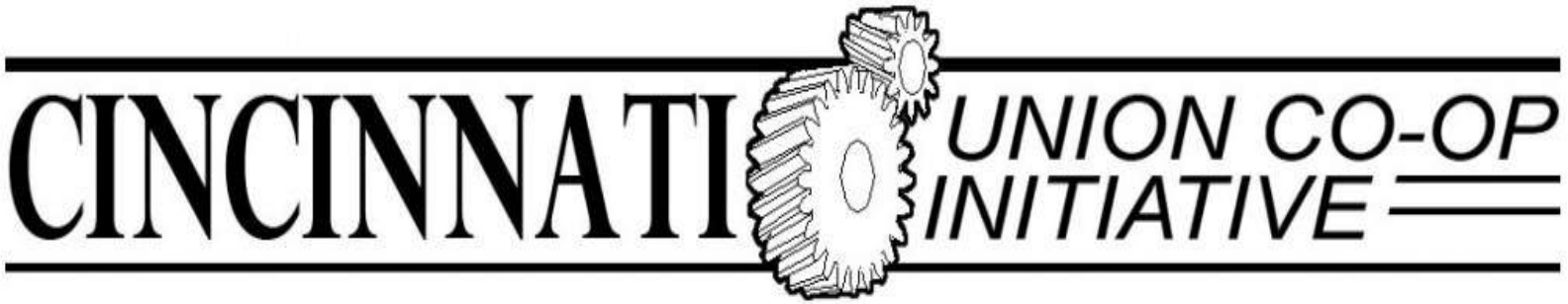
Benefit to Trade Unions of union co-ops

- Front door access to enterprises
- Union recognition from Day 1
- Access to potential members
- Ability to organise and recruit
- Membership growth
- Positive image of partnership working
- Develop talent
- In the main, positive industrial relations – ability to focus elsewhere

Barriers

- Historical ambivalence between the two traditions
- TU bureaucracy
- Failure to perceive a role for the TU in a worker co-op - If it's our enterprise, why do we need a TU?
- UK policy context favours social enterprise model
- Small c conservatism of worker co-ops - are worker co-ops risk averse?
- Lack of examples and a model

Union Co-ops



- The Cincinnati Union Co-op Initiative (CUCI) emerged in the wake of a historic agreement signed in October, 2009 between Mondragon and the United Steelworkers, North America's largest industrial union, to launch union-cooperatives in the United States.
- The agreement opened the door for the opportunity for CUCI to create jobs that are family supporting and improve the local economy in the Greater Cincinnati area by replicating and enhancing the long standing success of Mondragon's Worker-Owned Cooperative Mode

Union Co-ops

- Pittsburgh Clean & Green is a union co-op green commercial laundry set to open this year.
- Less than $500k invested to create 100 jobs
- Re-employ and empower workers who are being dislocated by former laundry
- Recruit and train low-income residents
- Each worker can expect to earn tens of thousands of dollars in equity in the first few years

Union Co-ops

- Danobat Group is a worldwide subsidiary of the Basque workers co-op, Mondragon.
- Mondragon, the United Steelworkers and the Cincinnati Union Co-op Initiative (CUCI), are in negotiations to turn the Danobat Group's American subsidiary into a union co-op.
- Co-op conversion of subsidiaries has been a wish of the Mondragon Co-operative since it started to expand overseas.

Taxi Union Co-ops

- The **Green Taxi Cooperative** in Denver, is a fully unionized coop. Founded in response to the "Uberisation" of the taxi market in Denver
- After one year Green Taxi Cooperative had 800 drivers, from 37 nationalities.
- With a market share of 37%, Green Taxi is the second largest worker co-op in the United States http://greentaxico-op.com

Taxi Union Co-ops

- In Edinburgh the taxi business is dominated by two taxi co-operatives, **City Cabs** (established 1925) and **Central Taxis** (1971).
- City has 400 members and 1,100 registered drivers, whilst Central has 400 members and 1,300 registered drivers.
- Both co-operatives work closely with Unite to negotiate with the City Council over rates and licence conditions.
  http://www.citycabs.co.uk/about
  https://www.taxis-edinburgh.co.uk

Taxi Union Co-ops – new arrivals

Established this year with the full support of the GMB

union-coops:uk

- We propose to constitute a formal collaboration between trade unions and the co-operative movement to be known as **union-coops:uk**
- The intention is to produce a UK union co-op model, taking as inspiration the work of the USW and others in the US.
- It would support the creation of unionised worker co-operatives in the UK, promulgate the model as a means of addressing employment precarity, and promote more widely the benefits of economic democracy as an essential component of resetting the economy in favour of labour and communities, and away from the diktats and vagaries of capital.

Unions involved include:-

- Unite, GMB, Musicians Union, Bakers Union, NASUWT, GFTU, EPA, FEU

Questions?

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