

WORKER CO-OPS

BRINGING EMPLOYEE CONTROL AND DEMOCRACY TO THE WORKPLACE

With the shortage of stable and satisfying jobs, and the determination of educated and informed people to have more control over their employment and, consequently, their lives and communities, worker co-operatives are becoming more prominent.



Worker co-operatives have their roots in the 19th century as a response to excesses in industrial capitalism and less-than-ideal working conditions. They aim to improve the lives of working people and increase democracy in the workplace through worker ownership and control.

The main purpose of worker co-ops is to provide employment for their members. Each member pays a membership fee or purchases a membership share. The co-operative's assets are collectively owned and surplus earnings are allocated to the

workers according to policies established by the co-op, often in proportion to hours worked by members and with limited return on shares.

In a worker co-op, each member has one vote, no matter how many shares he or she has purchased; all members have an equal say in the way the business is run and in the decisions affecting their everyday work lives. Members combine their skills, interests, and experiences to achieve mutual goals, such as creating jobs for themselves, providing a community service, or increasing democracy in the workplace. Because they develop the policies that determine the co-op's daily and long-term operation, trust, communication, and co-operation are vital elements in the co-op's success.

There is no limit to the type of business that can be established as a worker co-op. In Canada there are close to 330 worker co-ops in sectors as diverse as forestry, fishing, travel, retail, manufacturing, information technology, publishing, entertainment, and home care. These co-ops have a total membership in excess of 13,000 with revenues of \$553 million and assets of \$343 million. Worker co-ops employ almost 9,498 people with 94 per cent working on a full-time basis.

When the owner of the Quebec pie-making company Au Royaume de la Tarte retired in 1998, he offered his employees an opportunity to buy the business collectively. Liking their jobs and working conditions, the employees decided to purchase the firm and create a worker co-operative. Within three years, sales had more than doubled and the number of employees had grown from 25 to 38. The worker-members say they are happy with their jobs, which let them develop their business sense by taking part in the management of the business while at the same time exercising control over the direction in which the co-operative is headed.

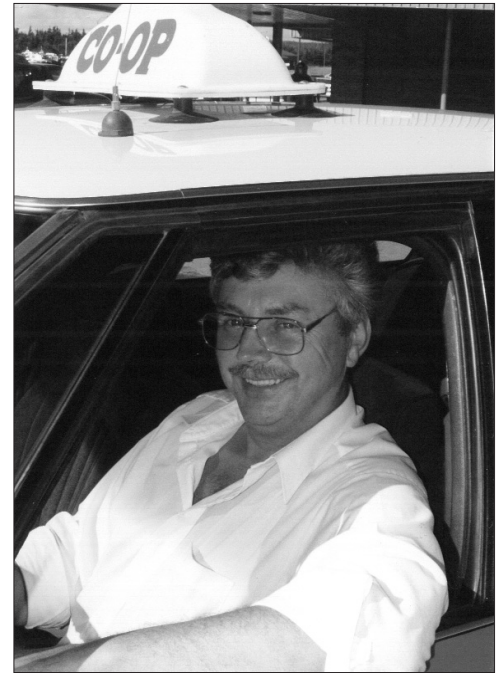


WORKER CO-OPS: IMPROVING THE LIVES OF WORKING PEOPLE

In recent years, new types of worker co-operatives have emerged. The worker/shareholder co-operative shares many of the same features as a worker co-op but in this model, employees form a co-operative to buy shares in an existing business. This enables them to have a voice at the board of directors table.

Another type of co-op that is gaining popularity is the multi-stakeholder co-operative. Membership is made up of different classes of members such as workers, consumers, producers, investors and/or other possible stakeholders. Almost non-existent a decade ago, more than 184 multi-stakeholder co-operatives were incorporated in Quebec by 2003. Many provide home care services to seniors and people with health problems.

Worker co-ops in Canada are represented nationally by the Canadian Worker Co-operative Federation (CWCF). This group was founded in 1991 to provide a voice for worker co-ops on the national stage and to encourage communication among individual worker co-ops. Another mandate of the organization is to encourage the development of more worker co-ops. With financial assistance from Human Resources Development Canada, CWCF owns and manages *Tenacity Works*, a worker co-op development fund designed to create new and expand existing worker-owned co-operatives in all regions of Canada. The fund and resources available through the Co-operative Development Initiative work in conjunction with the Worker Co-op Development Network, which provides the development capacity for worker co-ops.



DO YOU WANT TO KNOW MORE ABOUT CO-OPS?

For more information, please contact the

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