

union-coops:uk

A Manifesto for Decent Work



Photo courtesy of the International Labour Organisation (ILO)

Introduction - A Manifesto for union co-ops

- *What does the future of work look like?*
- *Will disruptive technologies and automation create a race to the bottom for workers' rights?*
- *Do we have to accept the gig economy and precarity?*
- *Can we achieve democracy and fairness in the workplace and fight in-work poverty without the broader labour and union movement?*

The union co-op is a model whose time has come. It is a fully unionised, worker co-operative, owned and controlled by those who own and work in it. Worker's control, democracy and equality are built into the model which offers a solution to inequality and injustice both in and outside the workplace. Co-ops and unions are social movements with shared historical roots which emerged originally out of need. *We believe they have a powerful shared future.*

This Manifesto seeks to lay out the ideas behind union-co-operatives and show how unions and co-ops can work together. Firstly, we offer a context for the need to consider new ways of thinking about unions and co-operatives. Secondly, we describe the union co-op model and how to set one up. Next we provide some case studies showing how union co-ops work in practice. Finally, we conclude with a 'call to action' and a set of recommendations for unions and co-operatives to come together and pilot a union co-op model in the UK.

union-coops:uk – who we are

union-coops:uk are a group of UK trade unionists¹, co-operators, educators and academics, who are seeking to encourage mutually beneficial collaboration between the union and co-operative movements via the development and promotion of the union co-op model. We believe the union co-op model is a powerful tool to counter mainstream economic narratives, it is a living example that *another way is possible*.

Why now?

There are several reasons why now is the time to take the union co-op model seriously.

First is the changing nature of work and the precarity and challenges associated with that.

Second is the way in which the union movement is under attack because of changes in the way work and industry is organised together with anti-union legislation.

Third is because we have a crisis of democracy, exploitation, growing poverty and inequality and as we write, a global health pandemic which threatens to immiserate millions of global citizens even further.

Changes to work and working life

Precarious work in the UK accounts for over 7 million people - one in five of the workforce. In the past ten years the number of workers on zero-hour contracts has increased more than four-fold, to over 900,000, and self-employment has increased to over 15% of the workforce.

Many are forced into in-work poverty, with 1.7 million of the self-employed earning less than the minimum wage, and 3.7 million self-employed workers in outright poverty.

Two thirds of all new jobs being created are for the self-employed – a trend set to continue, so whilst some enjoy the self-employed lifestyle, for many others it's their only choice.

Gig economy workers are often isolated and come under an extreme level of corporate surveillance, which is highlighted powerfully in the Ken Loach film, *Sorry We Missed You*.² The long hours, lack of rights and harassment creates a culture of fear making union organising, let alone collective bargaining rights, seemingly impossible. Legal campaigns and court action by unions to secure worker rights against Uber, Hermes, Deliveroo and others have been successful, but the Employment Tribunal victories are often overturned on appeal.

Platform corporations are reshaping the future of work with the rise of the gig economy in the UK now accounting for 1.1 million freelancers. The gig economy's business formula is for digital corporations to make huge savings through off-loading their risks and costs onto freelancers including equipment, insurance, tax, accommodation and transport. The trend is clear; platform corporations are spreading beyond delivery and transport to new sectors including teaching, social care, construction, cleaning, professional and technical services.

¹ The union movement is organised by trade, industrial, specialist and general unions. Whatever form they take, in the UK they are generally described as trade unions, in continental Europe as unions, and in the USA as labour unions.

² https://en.wikipedia.org/wiki/Sorry_We_Missed_You

We need to think of new ways of organising. Since 2010 workers in the UK have experienced the worst fall in real wages for 150 years. This is reflected in the national income split between labour and capital, with the capital share rising by more than 10% since 2009. While unemployment has dropped, in-work poverty and insecure work, with zero or limited employment rights, has grown. The International Labour Organisation (ILO) published ILO 193³ in 2002. In this they stated that decent work is a right for everyone and that co-operatives, working with unions, are one of the best ways to obtain that.

A new emphasis on Community Wealth Building

In recent years there has developed an increasing realisation that simply developing the local economy or concentrating on that part of the economy known as the Foundational Economy isn't enough. Outside investors can come and go, and not being rooted in the place, and in many cases not even rooted in the industry they're working in, they can change tack or pull out altogether. It's important to support businesses that are here to stay, and a number of local authorities are recognising the success of such projects that have helped to regenerate the rust belt of Philadelphia, and now in Preston, where the local council have had some success in getting their economy back to growth.

Community Wealth Building works to build the local economy by encouraging local 'anchor institutions' such as local government, educational establishments and the health service to procure goods and services locally as far as possible. Crucially, it also works to ensure those local suppliers are locked into the community, so they won't just up and go in the future. This is a process known as Capital Anchoring.⁴

Businesses that are locally anchored come in a variety of types. Publicly owned businesses such as local authority owned bus companies are a good example, as are other forms of community ownership from community pubs to housing associations because they have a diverse community and civic ownership. In the commercial sector, family owned businesses are less likely to move on than national or multi-national companies, but union co-ops are the most anchored form of commercial business. The workforce are much less likely to sell their own company as that will either put them on the scrap heap straight away, or make it much more likely in the future as control has passed to outside investors.

A crisis for unions

Today the union movement is under attack as never before, membership has fallen over the last 40 years, and increasing numbers of people are being employed in situations where unions don't and can't get a look in. In the UK we now have a government that is unsympathetic to workers' rights, although at local government level there are some who are determined to fight back. In Preston, for example, the Council is working with the co-op movement, the local university (UCLAN) and the unions to develop a locally rooted economy

³ https://www.ilo.org/empent/Publications/WCMS_311447/lang-en/index.htm

⁴ https://www.assembly.wales/NAfW%20Documents/social_enterprises_-_cardiff_institute_for_co-operative_studies.pdf%20-%2001072010/social_enterprises_-_cardiff_institute_for_co-operative_studies-English.pdf

through community wealth building,⁵ ensuring Preston money is spent in Preston with Preston based businesses. The council are now working with Unite to create a local builders' co-op that can take on larger scale regeneration contracts and stop them going to national and multi-national companies, and with the RMT to establish a black cab co-op in the city.

Unions have the protection and promotion of workers' rights at their core. Like unions, worker co-operatives are run on a democratic model of one member, one vote. The union co-op combines these values; both unions and co-operatives believe in joint decision-making, collective responsibility, solidarity between members, and fair distribution of rewards.

We need to reset and rebuild the economy that favours ordinary working people not just business owners and their bosses. The union co-op model shows how we can do this.

What is a union co-op?

A union co-op is a worker co-operative, a type of business which is owned and controlled by its workforce (although it may have others in membership, as long as they're a minority). It has both a formal place in its governance for a union to represent the members as workers, and a separate place where the worker members manage the business they own.⁶

Who is the union co-op model for?

- *All who believe in workers' rights, a fair wage and decent work.*
- *All who think the current economic system, precarious work and the gig economy does not work for them.*
- *All who care about civil society, solidarity, fairness, social responsibility and social justice.*
- *Union members.*
- *Worker co-operators.*

How does a union co-op work?

The idea of the union-co-op has grown out of a formal collaboration in different countries between unions and the co-operative movement and is based on an expanded set of co-operative principles which are focused on protecting worker's rights, creating decent work and paying a fair wage. The core union co-op principles are:

- 1. Voluntary and open membership**
- 2. Democratic member control**
- 3. Member economic participation**
- 4. Autonomy and independence**
- 5. Education, training and information**
- 6. Co-operation among co-operatives**
- 7. Concern for community**
- 8. Subsidiarity of capital to labour**
- 9. Solidarity and fairness in remuneration**
- 10. Commitment to union co-op development**

⁵ <https://www.preston.gov.uk/article/1339/What-is-Preston-Model->

⁶ Case Study 1 – USW & 1 worker 1 vote

The first seven principles are those also adopted by the international co-operative movement.⁷

- **Principles 1 – 4** enshrine the ideals of equality, fairness, democratic control and autonomy. Membership is open to anyone who is willing to become a member and the co-operative is democratically controlled by those members. Key to this democratic control is the principle of ‘one member, one vote’, meaning that power is not concentrated among the wealthiest or largest shareholders, but is distributed equally among members. Members collectively own the co-operative’s capital and determine how surpluses can be reallocated. For example, members can choose whether to grow the co-operative, return the surplus to members, set some aside as reserves or support other community activities.
- **Principles 5 - 7** outline how co-ops should interact positively with the local community and other co-ops. Giving information to members and the wider public is crucial to educate people about the benefits of co-ops and how to make them work to everyone’s mutual benefit. Similarly, principle 6 emphasises the value of co-operation over competition, while principle 7, concern for community, highlights the need to develop sustainable business practices.

The last 3 principles have been developed from the ideas of the Mondragon worker co-operatives in Spain and are a vital addition to the International Co-operative Alliance’s 7 principles because they enshrine workers’ rights and fair pay into the governance of the union co-op.⁸

- **Principle 8** - The subsidiarity of capital to labour is about ensuring the workers, not outside investors, have real control of their union co-op, and that all decisions are made at the lowest practical level in the organisation. Capital should be a tool which workers use to develop their co-op, not a means to control them. Thus at least 51% of voting shares should be held by worker members to make sure they are in overall control.
- **Principle 9** - Fairness in remuneration addresses wage inequality to ensure that all staff in the union co-op are paid using a fair and balanced wage scale. It embeds decent pay for decent work. The top pay should reflect the size and scope of the union co-op but should never exceed a ratio of 12:1 of the lowest paid worker.
- **Principle 10** - A commitment to developing other union co-ops. A levy of at least 10% of pre-tax profits, in cash or in kind, should be used to finance and develop other union co-ops.

These **10 core principles** form a set of strictly bounded ethical principles by which each union co-op is run. However, while they guide the shaping of each union co-op, they also allow flexibility for each individual union co-op to adapt and respond to local contexts. The union co-op model is not a ‘one size fits all’ model - it is flexible and can adapt to local needs and requirements.

⁷ <https://www.ica.coop/en/cooperatives/cooperative-identity>

⁸ <http://www.alex-bird.com/why-we-need-to-update-the-co-operative-principles/>

How do you set up a union co-op?

There are 6 different ways to set up a union co-op:

Option 1: Convert an existing company into a union co-op

The existing company might already be unionised, but possibly not have 100% union membership. It could be employee-owned, a small or medium business (SME) or a family firm. It could even be a PLC. By converting into a union co-op, it will become 100% unionised and owned and controlled by its workers.

There are some barriers to doing this in the UK at present. Currently the tax regime makes it most advantageous for the current owner to sell to a Trust based worker or management buy-out, which may be better than outside ownership, but isn't true worker ownership and control, so the law needs to be changed to stop disadvantaging true worker co-ops.

Many successful union co-op examples exist in other countries, such as Helio Corbeil⁹ in France, where the law is already favourable to worker co-op buy-outs, as it is in Italy.

A key area of opportunity for union co-ops is worker buy-outs and conversions. A strategic report for the Co-operative Party¹⁰ argues that 120,000 small businesses in the UK will be sold to new owners over the next three years. If only 5% were converted to co-op ownership, the co-op sector would double in size!

Option 2: Rescue a failing company

In this case the company is already struggling financially, often as a result of a takeover by a multinational, venture capitalists, or simply that following a generational ownership change it has lost its way. Sometimes it comes through industrial struggle such as the Upper Clyde Shipbuilders occupation in 1971, which sadly didn't result in a union co-op, or the Thé Elephant¹¹ occupation in 2010, which did. Here, prudence and good business advice is essential to ensure that the company is saveable, before starting a rescue mission which often involves the workforce risking its redundancy money and/or borrowing heavily.

Option 3: Convert an existing co-op into a union co-op

For historical reasons (the enormous success of the Rochdale Pioneers model) the majority of UK co-operatives are consumer-owned rather than worker-owned. Many of them are not unionised. To convert a consumer co-op into a union co-op needs radical change. The governance would have to be changed to become multi-stakeholder, with ownership being shared between the consumers and workers, and with workers having at least 51% of the voting shares, and the workforce becoming 100% unionised.

There are however, a growing number of multi-stakeholder and worker co-ops in the UK, and they can be transformed into union co-ops with only some small changes to their governance, and the unionisation of the workforce.

⁹ Case Study 2 – Helio Corbeil

¹⁰ <https://neweconomics.org/uploads/files/co-ops-unleashed.pdf>

¹¹ Case Study 3 – Thé Elephant

SUMA¹² is an example, where the union has been involved in the co-op for a long time, and the SUMA workforce are some of the best paid shop floor workers in the UK.

Option 4: Converting a social enterprise or charity into a union co-op

Charities and social enterprises already have social value as a core belief, and many try to reflect this in their employment practices, although very tight contract pricing, mostly from austerity affected local government, make this difficult.

Cartrefi Cymru, based in Wales, is a good example of how this transition can take place. They have undergone a transformation from a charity to a multi-stakeholder co-op involving staff, service users and their families, and with the full co-operation and support of their union representatives. As a result, they have been able to increase staff engagement and satisfaction, maintain terms and conditions, and hold on to existing contracts whilst improving the delivery of services.

Option 5: Create a brand-new worker co-op that is fully unionised

In this option, a start-up route, the new organisation would have decided to be a fully unionised, worker co-op from the beginning. Governance models for this are available off the shelf, but of course all the start-up needs of any other type of business are still there. Finance has to be raised¹³, and a Business Plan drawn up, but the combination of co-operative business support agencies and the market knowledge of the union movement make this possible. Case Study 8 – Formula Servizi¹⁴ is a good example of this, where union activists started a cleaning co-op in 1975 to provide decent work, and it has grown and grown over the years to now employ over 1,700 staff. Another is Tower Colliery¹⁵ which was created during the Tory Government's coal privatisation programme in 1994.

Option 6: Creating a union co-op for the self-employed

The self-employed are an increasing part of the 'precariat', those workers without any security and often on zero hours contracts. A small number of co-ops have been formed to provide them with shared workspace and/or back office admin services. UK examples include IndyCube¹⁶ and IPSE,¹⁷ the IT Co-op¹⁸ and Webarchitects,¹⁹ but apart from IndyCube, few of these have any union involvement. The most successful back office co-op for the self-employed is Smart in Belgium, who are currently working to integrate unions into their organisation. However, some really good UK examples of union-co-ops for the self-employed have been with us for many years, such as Taxi Co-ops and Actors and Musicians Co-ops.²⁰

¹² Case Study 4 - Suma

¹³ Whilst specialist co-operative UK finance houses exist such as <https://coopfinance.coop> these are still small and there is a need for larger co-operative banks such as those found in other EU countries

¹⁴ Case Study 5 – Formula Servizi

¹⁵ https://en.wikipedia.org/wiki/Tower_Colliery

¹⁶ <https://www.indycube.community>

¹⁷ <https://www.ipse.co.uk>

¹⁸ <http://www.it-cooperative.com>

¹⁹ <https://www.webarchitects.coop>

²⁰ Cases Studies 6, 7, & 8 – Drive, Oren & Musicians Co-ops

Specialist support is needed

Business Support

Whichever way a union co-op is formed, it will need co-operative development advisers and union(s) to work together to help workers choose the best legal structures and processes, develop Business Plans and raise working capital. New union co-ops can get support and training from Co-operatives UK²¹ and their 'Hive' business support programme²² which is delivered by local Co-operative Development Bodies (CDBs) as well as the Co-op College,²³ who will all support them to collectively develop their own structures, responsibilities, decision-making processes and remuneration principles, rather than have them imposed by a management hierarchy.

Training

The co-operative way of working is different to the hierarchical model, and there are many approaches to management and member engagement in co-ops. These approaches differ, and often the model of management, structure and governance will be influenced by the size of the co-op, and the amount of outside community input into its ownership and involvement, so any training needs to come from specialists who understand this.

The Co-operative College²⁴ offers a range of courses aimed at co-operative organisations as well as individuals and are currently developing a Co-operative University.

Co-operatives UK also offer a range of courses tailored specifically to co-ops²⁵ as well as organising an annual Practitioners Forum offering a varied range of advice and training sessions.²⁶

Case Studies – some examples of the union co-op model in action



Our case studies which follow, offer examples of successful union co-ops in the UK and around the world in different industries and workplaces.

²¹ www.uk.coop

²² <https://www.uk.coop/the-hive/>

²³ <https://www.co-op.ac.uk>

²⁴ <https://www.co-op.ac.uk/Pages/Category/training-for-organisations>

²⁵ <https://www.uk.coop/advice/products-and-services/training>

²⁶ <https://www.uk.coop/PF>

Case Study 1 – USW & 1worker1vote: A model whose time has come

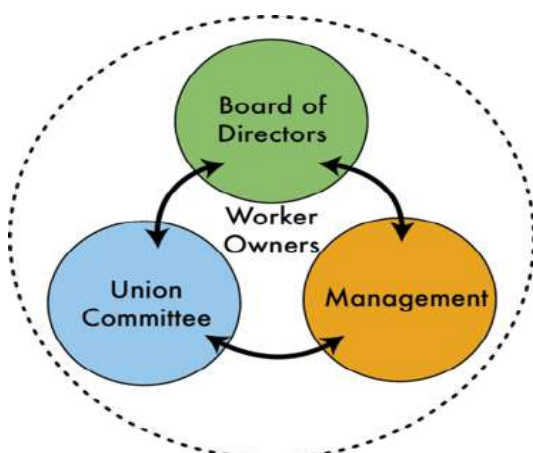
The United Steelworkers (USW), the largest industrial union in North America, in collaboration with the Ohio Employee Ownership Center (OEOC) and Mondragon International North America (now the non-profit 1worker1vote movement incorporated in Q1 2015), developed a union co-op model in response to the socioeconomic ravages of the 2008 Great Recession that included union decline, and the pernicious effects of labour market deregulation such as offshoring and wage suppression.

The core model promotes fully integrated workplace ownership and labour union representation allowing the benefits of union services and worker ownership to be delivered simultaneously. Underlying this strategy has been an acknowledgement that most new jobs since the 1980s have been in the small enterprise sector but that is changing. Since this model template launched in March 2012, U.S. union co-ops have seen wide sector diversity and scale with the largest to date (CHCA in New York City) fielding over 2000 worker owners affiliated with SEIU 1199.



1worker1vote is building a national network of hybrid, shared ownership, regional and municipal ecosystems starting with unionized worker-owned cooperative businesses to overcome structural inequalities of opportunity, mobility, and income.

In America with the support of the USW plus a growing number of collaborating unions, and inspired by almost seventy years of Mondragon cooperative ecosystem experiences, 1worker1vote is pioneering hybrid governance models for union co-ops that include localized Mondragon workplace democracy principles and practices with union solidarity reflected in collective bargaining agreements, offering a clear role for unions at the heart of the governance.



1worker1vote operates across multiple U.S. cities with regional ecosystems in Cincinnati, Dayton, and Central Brooklyn. 1worker1vote collaborates with local partners in Denver, Los Angeles, Chicago & Southern Illinois, San Francisco-Oakland, and Albuquerque, plus Bermuda and Preston/UK, with the support of US labour unions that include the United Steelworkers (USW), Service Employees International Union (SEIU-UHW & 1199), United Food and Commercial workers (UFCW), International Union of Operating Engineers (IUOE),

the International Association of Machinists and Aerospace Workers (IAM), and the Freelancers Union.

Case Study 2 - Helio Corbeil: Printworks saved by worker co-op buyout



Helio Corbeil is a large union organised printing co-op in Corbeil-Essones, in the Loire region of France with around 100 employees. On Feb 21st 2011, when the parent company, Circle Printers France (part of Socpresse, owned by the French multi-billionaire and former local Mayor, Serge Dassault) went bust and was put into administration, the CGT-FILPAK convenor, Bruno Arassa called a special meeting of the Works Council, and

then went to see the Mayor, Jean-Pierre Bechter, who, coincidentally, was also the administrator of Socpresse, who gave them his support.



Bruno Arassa - CEO

Bruno and the CGT²⁷ worked with the Confédération Générale des SCOP²⁸ to form a worker co-op to take over the business and secure the jobs. This involved raising €1.4 million in shares to buy the business, which now turns over €11.4 million each year, prints around 10 million magazines per week, and uses 35,000 tonnes of paper each year.

Their main market is printing a number of the popular TV magazines sold in supermarkets and newsagents, and their biggest contract is for 5 million copies a week of 'TV Guide'.

In March 2018, the publisher Lagardère Active signed an agreement to print the weekly magazine 'Version Femina' and a second TV guide, 'Télé 7 Jours', which was a great boost to the workforce. But then they had a set-back in September when the Figaro group, following the death of Serge Dassault, pulled all its printing contracts, including the 'TV Guide'.

These amounted to 83% of their business, and so this was a huge setback. They have now recovered from this by securing new business, and as a result of their efforts, their turnover only dropped by 10%.



Despite these setbacks, Helio Corbeil continues to invest under the leadership of Bruno Arassa who is now the CEO. In January 2019 they installed an automated colour matching system from 'Universal Couleurs' to enable better printing on lower quality papers, thus giving them a competitive advantage, and protecting their jobs.

²⁷ Confédération Générale du Travail – one of the two main union federations in France

²⁸ Société Coopérative et Participative – the legal form for a worker co-op in France

Case Study 3 – Scop-Ti: Tea factory saved by a workforce buyout

Since 2010 some 150 firms across Europe have been taken over by their workers to stop closure or a relocation of jobs. The majority are co-operatives, mostly in Spain but also in France, Italy, Greece and Turkey. This insurgency of workplace self-management has taken inspiration from the Latin American movement to defend jobs that since 2000 has brought under workers control 360 businesses in Argentina, 78 in Brazil and between them has saved 27,000 jobs.

A good example in France is Fralib, a long-established local firm and producer of Thé Elephant at its factory at Gemenos near Marseille. Like so many other established brands, FraLib and Thé Elephant were acquired by Unilever in 1975. Fralib had become successful with just a handful of managers who fostered team working. Unilever did not change this lean system that yielded a 50% increase in productivity until the 1990s, when rather than sharing the surplus with employees, Unilever brought in more and more managers. This bred simmering resentment and in September 2010, when Unilever announced the closure of Fralib and a relocation of production to Poland, all 182 workers, supported by their CGT and CFE-CGC unions, occupied the factory.



The recovery fight lasted almost four years with production continuing and campaigning winning over support. Legal action against Unilever was unable to stop the formal closure of Fralib in

September 2012. The campaign continued with 76 of the workers in occupation who with the support of CG-SCOP developed a Social Plan for a worker co-op and a strategic switch to production of natural and organic teas using mainly regional products. Despite a court order, in March 2013 Unilever stopped the payment of wages. Their case was heavily publicized in the media, and they received public support by the then French Minister for Social Economy, Benoit Hamon, who also initiated the French social economy law.

In May 2014 Unilever agreed to a legal settlement to hand over the plant, but not the Thé Elephant brand. They agreed to sell the machines (valued at €7 million) to the workforce for €1 and to pay total financial compensation of €20 million.

This enabled the worker co-op, Scop-TI, to be launched and for production to be restarted under the new brand, '1336' (the number of days they struggled to save Fralib). They now sell 16 locally grown organic, herb and fruit teas, and have an internet sales site at <https://www.1336.fr>



Today, at the Gemenos factory wage differentials have been drastically reduced, a song has been recorded and a documentary film was released in 2017 in French cinemas.

Case Study 4 – SUMA wholefood co-op: The benefits of worker ownership



Suma is a common ownership worker co-operative in West Yorkshire. Set up in 1977 to supply wholefood shops with a broad range of organic and Fairtrade goods, plus its own range of products. It has an annual turnover of £50 million and a workforce of 250, that includes 180 worker

members and 70 other employees on contracts of 18 months or more. Co-op owner vacancies are advertised, and 5-10 employees become worker owners each year.

Suma is collectively owned, and all workers are on the same, equal pay rate. The work involves product development, design, marketing and sales, HR, warehousing and distribution to shops and wholesale customers. Multi-skilling and mixed duties for members have always been a feature of Suma work, ensuring owners are familiar with operations across the business.

Members regard management as a 'function, not a status' and Suma's collective self-management culture is 'consensual'. The regularly elected management committee performs a coordination role and appoints departmental coordinators.

Suma has always supported union membership with a workplace branch of the Bakers, Food and Allied Workers Union on site since the 1980s. 75% of the workforce are union members. The union relationship has operated for decades like the US union co-op model.

Base pay for Suma workers and employees is £15 an hour, which is twice the industry rate in Yorkshire. In the last 10 years, when wages have stagnated, Suma has maintained annual pay increases of 5%.

Like worker co-operatives in France, Spain and Italy, Suma pays bonuses to worker owners each December of at least an extra month's pay and in good years, two months. The co-op provides a group pension fund, substantial staff sales discounts, generous paid leave plus non-financial benefits including free meals and snacks. Combined gross financial benefits for a worker owner are about £40,000.



Case Study 5 – Formula Servizi: A sustainable multiservice worker co-op



Originally called Pulix Co-op, Formula Servizi was founded in 1975 in Forlì in the Emilia-Romagna²⁹ by a group of 9 women cleaners. It has expanded from office cleaning to a broad range of services in cleaning, sanitising and maintenance

services and archiving, as well as supplying and installing exhibition displays, air conditioning, and now has offices across Italy. As a worker co-operative, Formula Servizi has a long tradition of doing things differently and is underpinned by a belief in sustainability and environmentalism.

The co-op has strong union links and fosters a culture of solidarity, so for instance, the co-operative's managers, many of whom come from a union background are evaluated every 3 years by the worker members, meaning that they have an on-going say in how the co-operative is run.

Formula Servizi now occupies its own 5,000 ft² freehold HQ premises, built to a very low energy specification as part of its commitment to environmental sustainability for which it has won national awards. It is certified to the UNI EN ISO 14001 environmental standard.

There are 1,700 employees (1,202 Part time and 504 Full time - 90% on permanent contracts) in the co-operative and around 800 of them are worker-members. It now has a share capital of €3,086,378 held by the members, and the 11 members of the Board of Directors are directly elected by these members. Non-member employees are represented by union delegates.



Over 80% of the workforce are women and work schedules are organised to fit around people's lives, whether by offering a choice of part-time or full-time contracts or ensuring that each worker is based close to home so that they have shorter commutes and reduce their

carbon footprint. The net result is that the workers are highly motivated and committed to their co-operative.

Union delegates (who are sometimes also co-operative members) hold a constant and direct dialogue with the management, mainly representing the interests of non-member workers and thus strengthening relations throughout the entire workforce. They also deliver the workers' views on, for example, health and safety issues, which have often helped to better manage internal organisational processes, streamline procedures and improve communication.³⁰

²⁹ The Emilia Romagna is the most co-operative region of Italy with co-ops producing 40% of GDP, and one of the most prosperous

³⁰ Monaco and Pastorelli (ILO 2013) *Trade union and worker cooperatives in Europe: A win-win relationship*.

Case Study 6 – Drive Taxi Co-op: A new union backed taxi-driver co-op



The GMB in Cardiff organise a regular meeting for their ‘professional drivers’ branch, which includes taxi and private hire drivers in the Welsh capital.

The issue of the exploitative nature of local taxi circuit operators arises regularly. Since the council changed its licensing rules many years back so that taxi ‘plates’ or vehicle licenses can be bought and sold, a number of operators have been buying them up and then ‘renting’ them out to drivers on their circuit. GMB have lobbied against this system but to no avail so far.

During 2018 some of the drivers discovered that one operator was charging them £30 per month, not for a service provided, but as a contribution to the staff Xmas party they weren’t invited to. So, they decided enough was enough.



Paul O'Hara – Company Secretary

The GMB’s political officer, Mike Payne, suggested they form a co-op, and put the branch secretary, Paul O’Hara, in touch with the Wales Co-operative Centre. Paul also spoke to Les McVey at City Cabs, one of the two taxi co-ops in Edinburgh which has been running since 1925 and to Eastleigh Co-operative Taxis in Southampton. Both gave the new co-op lots of help and advice. By

December 2018, eight drivers previously on the ‘Dragon Taxis’ circuit, were up and running as Drive Co-op, with a Business Plan and a rented office. Their plan was to build the business whilst continuing to drive with other circuits, as many drivers do. However, Dragon got wind of what they were doing and sacked them from their circuit. The GMB are considering court action over this under employment law.

Since then Drive has grown steadily, and now have fifteen drivers on the circuit. They are very customer focused and offer discounts to disabled people and other concessionary pass holders.

Case Study 7 - Oren Actors Management: A union backed worker co-op agency



Actors Equity was set up in 1930 by leading actors in London's West End. Today it has over 41,000 members. A core aspect of Equity's strategy is that they defend the right to 'worker status' for their members based on the provision of personal services in accordance with the Employment Rights Act 1996, section 230(3)(b) and the non-substitutable nature of their employment.

Equity has developed a special contract for co-ops and their aim is to promote and support actors' co-operative agencies, helping raise their profile and standing within the industry as well as the profile and standards of co-op agencies in general. This co-operative work was led by Chris Ryde, Equity's National Organiser in the 1980s.



Bethan Morgan – Chair

Actors' co-operative agencies are separate from the union, but are supported and encouraged by **Equity**,³¹ which has worked with the **Co-operative Personal Management Association (CPMA)**³² since it was founded with their support in 2002. It now has 30 actors' co-operatives in membership across the UK.

Established in 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 (the Welsh-language national theatre of Wales).

³¹ <https://www.equity.org.uk/home/>

³² <http://cpma.coop>

Case Study 8 - Musicians' Union: Music teacher worker co-operatives



Years of austerity and local authority restructuring have cut the core funding for music services all around the country and many music teachers have been forced to become self-employed. Since the 1990s, the Musicians' Union has responded by helping its members to set

up music teacher co-operatives so that they can share expertise and have greater control over their working lives.

Music teacher co-operatives are based on the **consortia model**, whereby the co-operative provides a range of 'paid for' services to its teacher-members who are all self-employed. They in turn own and control the company (in accordance with the Articles of Association) and elect a board of directors to represent the membership and oversee its day-to-day management. There are now 9 music teacher co-operatives nationwide: Newcastle; North Lincs; Swindon; Bedford; Milton Keynes; Salisbury; Denbighshire; Isle of Wight; and Wrexham.

The organisational structure is completely flat; there are no heads of department or service. Teacher-members are free to develop the co-operative in whatever way they choose. The key priority is providing a service that customers want, at a price they can afford. The co-operative's viability and success are dependent on its quality of service, for which all members are responsible. Music teachers pay a percentage of their hourly fee (tax deductible) to cover admin costs and support services, which include invoicing, debt control, customer support, professional development, marketing, dispute mediation, and timetabling.

The Musicians' Union is not promoting self-employment over direct employment. It sees the Music Teacher Co-operatives as a collective response to the severe cuts in music service provision in schools. Teacher-members can act collectively for their mutual benefit (i.e. setting lesson fees and sharing administrative costs). The music teacher co-operatives promote work over unemployment, encourage solidarity among members by sharing expertise and provide greater control over teacher-members' working lives.

ALTOGETHER NOW



**A GUIDE TO FORMING
MUSIC TEACHER CO-OPERATIVES**



Case Study 9 - Co-op CINCYN: Creating an economy that works for all



In the United States, unions and co-operatives are increasingly looking at forming worker and employee owned co-operatives to challenge deprivation, racism, the gentrification of neighbourhoods and the extraction of local wealth. CO-OP CINCYN, a non-profit union co-op incubator founded in 2009, is based on the Mondragon model and

emerged from the 2009 United Steelworkers – Mondragon collaboration MOU. Not for profit workers and union organisers from the Cincinnati area had been visiting Mondragon in the Basque country for some time and a consensus emerged that union co-ops could help reverse the decline of 'family-sustaining union jobs'. Union committees in the CO-OP CINCYN/1worker1vote model have a collective bargaining function, with the same social, democratic, and transformational purpose as Social Committees in Mondragon coops.



HOME WE'RE HIRING FOR INDIVIDUALS FOR RETAIL FOR INSTITUTIONS SHOP ABOUT



CO-OP CINCYN launched its first union co-op, *Our Harvest* food hub, in April 2012. The launch was based on feasibility studies with labour leaders and the Cincinnati civic community. CO-OP CINCYN, currently works with dozens of partners, has a thirteen-member board of directors, hundreds of volunteers and five union co-op businesses in various phases of development including start-ups around housing, childcare and home energy.



What is impressive about CO-OP CINCYN is the level of co-operative diversity involved in the initiative - age, gender, class, ethnicity, and sector. In Cincinnati they have developed energy efficiency, agricultural and social care co-operatives as well as affordable housing, Coop University, a Cooperative Capital Loan Fund, a cleaning coop, and are developing a worker & community-owned grocery cooperative – many organising precarious workers, and all interested in being union organised.

Union co-op development is underway in multiple U.S. cities. *Kristen Barker – Exec Director* CO-OP Cincy, CO-OP Dayton, Citizens' Share Brooklyn and others are stakeholders in the umbrella www.1worker1vote.org union-coop movement. New union-coops are also making common cause with existing unionised worker coops. More examples of U.S. union co-ops can be found on the U.S. Federation of Worker Cooperatives website at <http://unioncoops.org>.

Case Study 10 - Italian Social Co-operatives: Fairtrade and social justice

The Italian co-operative movement has pioneered the provision of social care through both worker and multi-stakeholder co-operatives. Decent work has been created for disabled people, ex-offenders and those recovering from addiction. 'Economies of co-operation' and distributed scale have been secured through regional and national co-operative consortia that provide shared back office services and joint negotiating teams to deliver long-term contracts.

Social co-operatives account for more than 360,000 jobs. A national union agreement was agreed after the Social Co-operatives law was passed in 1991.

The three main co-operative confederations have national collective bargaining agreements with the Italian unions who represent 60% of all social and worker co-operative members. Legislation passed in 2003 and shaped by a social dialogue with the unions, defines the rights of a worker within a co-operative and sets out the protection afforded to employees of co-operatives and also the position of worker owners in relation to worker co-operatives.

Partnerships with the public sector have helped to develop a range of Fairtrade businesses to secure work for ex-offenders. Good examples include:

- **Pausa Cafe**, a chain of co-operatively owned cafes employing ex-prisoners, now working with Carrefour Italia.



- **La Felicina**, a prison micro-brewery, in the Italian town of Saluzzo, for real ale that is popular and exported across EU and USA.
- **Exodus**, a door and window manufacturing co-operative operating within a prison that also creates jobs for those released from prison.
- **Libera Terra** that has developed co-operatives to create work growing Fairtrade organic food products on land expropriated from the Mafia in Sicily and in other regions of Italy.
- **AgriSocial Italia** a shared brand for the growing range of food products produced in Italian social co-ops.

Case Study 11 – Smart: Rapidly expanding artists’ mutual



Smart (Société Mutuelle d’Artistes), was formed in 1998 to enable artists, technicians and intermittent workers to face the administrative complexity of the arts sector in Belgium. Since then it has grown to over 100,000 members across 9 countries. Smart provides shared and individual workspace, and back office services to its members, as well as its key function; to provide employed status rights to freelancers.

Since 2001, it has also supplied a debt underwriting and cash flow support service to its members, who are paid within 7 days of invoice whether their customer has settled or not.

Smart Belgium & France started a review of its co-operative governance (*la vie coopérative*) in 2016. This is being driven by its ‘Smart in Progress’ project, led by Germain Lefebvre.



They are now working through formal elections to a ‘social dialogue’ to represent not just the staff, but also all the freelance members as employees. Smart is now organising elections; in France to a Social and Economic Committee (CSE), and in Belgium, to a Works Council (CE) and a Health and Safety Committee (CPPT).

In France CSEs were established as a principle under the 1946 constitution, and in 2017 they were more clearly defined under Ordinance N° 2017-1386³³. In Belgium CEs and CPPTs have been well established in employment law since 1948.

Germain Lefebvre- La Vie Coopérative The CEs are elected from union delegates, whilst the CPPTs are elected directly from the workforce. In both countries the elections have to be organised by the employer where there are more than a minimum number of employees.³⁴

In France the union movement works solely to secure the best deal for the worker. In Belgium, the history of the union movement is different³⁵ and unions are increasingly seeing a new and developing role for themselves, without of course losing sight of their mission to create and protect ‘decent work’. As a result of this, Smart now has a dialogue with the union movements in both countries, and there is real progress towards integrating the unions across Smart.

³³ https://fr.wikipedia.org/wiki/Comité_social_et_économique

³⁴ 300 in France, 50 in Belgium

³⁵ For instance, the union movement in Belgium has long been a partner in the state sick pay and unemployment schemes and handles most of the claims and payments for these, so the social contract approach is much more entrenched in their operating culture.

Case Study 12 – Union co-ops for American ‘gig workers’



New York in 1983 and with 2,000 workers it is the largest US worker co-operative. In 2003 CHCA workers joined SEIU Local 1199. SEIU has been leading the fight in New York City for \$15 an hour for all home care and health workers.³⁷

The Service Employees International Union (SEIU), a 1.9 million strong public services union, has been working with The ICA Group³⁶ (formerly the Industrial Co-operative Association) to develop platform co-operative solutions for both health and care workers. ICA Group helped set up **Co-operative Home Care Associates** in Brooklyn,



CCHA President & CEO, Adria Powell

Typical annual incomes for registered child minders is \$18k to \$20k. The SEIU and the ICA Group have worked to set up a co-operative for the child minders with estimated savings per member of \$800 to \$1,200 annually. SEIU 775 have also worked with the State of Washington to develop Carina Care,³⁸ a free online site to connect clients with registered carers.

Another project between SEIU-United Healthcare Workers West and ICA Group is being developed in Oakland, California to provide a platform co-operative for community nurses. The

Nursing and Caregivers Cooperative, Inc., incorporated under California's new co-operative corporation law, will require just \$500 investment for all members. The workers will be organized by the SEIU-UHW West.



Ra Criscitiello - SEIU-UHW West Research Coordinator

Interviewed in 2016, SEIU-UHW West Research Coordinator, Ra Criscitiello, said: *“Organized labor has largely retained its same tactics and world view despite the reality that economic structures capturing employment have been turned on their heads. If unions cannot solve labor’s woes, it may not be that organized labor is dying—but rather that it needs to transform.”*

SEIU - UHWW led the work with other unions to create the Worker Co-operative Economy Act 2015 in California, and to enable Union Co-ops to operate as Co-operative Labor Contractors (CLCs) through a federation of fully unionised platform co-ops. As Criscitiello explains, the non-profit CLC federation *“would offer full employment security and protections, enhance workers’ control of their own labor and allow them to share in the profits their labor creates.”*

³⁶ <https://icagroup.org>

³⁷ Anderson James (2016) *The Evolution of Union Co-ops and the Historical Development of Workplace Democracy*. 28 April 2016.

http://www.towardfreedom.com/index.php?option=com_content&view=article&id=4248_per_cent3Athe-evolution-of-union-co-ops-and-the-historical-development-of-workplace-democracy&catid=35_per_cent3Alabor&Itemid=101

³⁸ <https://www.carinacare.com>

What we can learn from other countries

The European TUC's recent survey³⁹ across 23 European countries of labour union innovation to tackle the needs of self-employed workers highlights four different ways of organising that the union movement is developing:

- **Specialist unions** exist in many countries as trade sector unions or specialist trade sections within larger unions, where freelance working has been common for a long time. These include the education, journalism, entertainment and health professions. In the UK these have been brought together by the Federation of Entertainment Unions.
- **Unions for the Self-Employed** are general unions which only recruit the self-employed. They have emerged as affiliates of the UGT in Spain, the FNV in the Netherlands and CISL in Italy, and enable workers not in the trades and professions normally associated with self-employment to get organised.
- **Precarious workers' unions** are a new innovation, and represent workers on all forms of zero hours, temporary and part time contracts. In Italy this approach has been expanding with all three labour union confederations supporting this model. Also, there is a similar union in Slovenia, and in the UK, the Independent Workers of Great Britain fall into this category.
- **Mainstream unions** in some countries have responded to the unmet needs of the self-employed by developing targeted recruitment strategies. This is the case for IG Metall in Germany, Unionen in Sweden for some time, CFDT and CGT in France, and Unite, the GMB and Community Union in the UK. Similarly, our own research has also found that in the USA, the Independent Drivers Guild (IDG) advocates for the 80,000 licensed Uber and Lyft drivers in New York. Developed by the IAM (Machinists Union), the IDG was launched in 2016. The two-year organising drive from 2016 secured a five-year agreement between the IAM and Uber and a number of benefits including discounted legal services, insurance and roadside assistance. The IDG has also secured a local law requiring Uber to offer a tipping option in the app and the USA's first minimum payment protection for New York City's app-based drivers at \$27.86 per hour.⁴⁰ Added together, this has secured over \$1 billion for drivers.

This ETUC research also shows that whilst unions find it hard to negotiate collective bargaining agreements for self-employed workers, in 11 of the 23 countries surveyed, they have had some success.

³⁹ https://www.etuc.org/sites/default/files/publication/file/2019-04/2019_new%20trade%20union%20strategies%20for%20new%20forms%20of%20employment_0.pdf

⁴⁰ <https://drivingguild.org/news/>

What we can learn from the Case Studies

- Co-operatives have been successful in providing a range of services for the self-employed, for example, SMart⁴¹ in Belgium.
- Union co-ops represent an effective response to union and industrial decline as a result of the squeeze on workers from multinational businesses in particular but also from increasing unemployment, restructuring, and technology changes.
- The worker democracy in union co-ops can support union movement renewal and organising programmes.
- That small/medium firms are essential to economic growth and employment creation, and union co-ops provide a way to ensure this benefits the workers, not just external owners.
- Co-ops do not displace unions; union co-ops make the union an essential part of the governance of the co-op.
- A union co-op offers the potential for a 100% unionised workforce – almost providing a return to the closed shop.
- Many unions in different countries and industries have been establishing successful unionised worker co-ops.
- Businesses have been rescued and turned around by harnessing the collective power of workers, their knowledge, skills and creativity through partnerships with the unions. Often, such co-ops have emerged from a sustained period of industrial action or occupation, strengthening the link with the union.
- union co-ops can deliver improved wages and other terms and conditions by eliminating top-slicing by external owners.
- Management becomes a function not a position of privilege or status, and union co-ops have flatter salary ranges, some even going for a flat rate of pay for all.
- Worker co-operatives have successfully organised workers in sectors typified by precarious work, sectors usually typified by low union penetration and density.
- Many worker co-operatives that aren't full union co-ops also create openings for unions and ally themselves to the union movement.
- Worker co-operatives lock in their capital locally, and so can form an integral part of local and regional regeneration initiatives, helping to fight inequalities, protect the environment, support sustainable local economic growth, and ensure the wealth created locally never leaves the area.
- Multi-stakeholder co-operatives can have a role in the social sector, and this can be structured to fit with public sector unions' anti-privatisation objectives through the development of public/co-operative partnerships.

⁴¹ Case Study 11

The **union-coops:uk** Call to Action

The UK suffers from a democratic deficit.

From the House of Lords to Local Health Boards, Local Enterprise Partnerships and National Parks Authorities, we are governed by unelected groups.

Over the past 70 years, we have had a Conservative Government for 42 years and Labour for 28, despite the anti-Tory vote being greater than the Tory vote at every election. The UK is essentially a left of centre country governed largely by the right.

The workplace is no different, and almost all our businesses have no democratic input from their most valuable asset – the workforce. When the joint union committee at Lucas Aerospace launched the Lucas Plan⁴² in 1976 the management completely ignored its radical ideas, including electric cars, road/rail vehicles, heat pumps and wind turbines. Today the Tory Government continues to ignore its ideas on reframing production and workplace democracy.⁴³

By bringing democracy into the workplace, combining the democratic traditions of unions and co-ops, we will be making one small step to changing undemocratic Britain.

Union members:

- Talk about union co-ops in your branch.
- Get a speaker to address your local/regional/national conference.
- Contact Co-operatives UK⁴⁴ to locate a Co-operative Development Body near you, and talk to them about forming or converting to a union co-op.
- Never let an opportunity pass to assess a company in difficulty to see if a union co-op solution is viable.

Co-operators:

- Join a union.
- Talk to your local organiser.
- Change your governance to include the union co-op model.

Joint Action:

- Set up a joint working group between the TUC and the Co-op Movement.

Contact us by email:

unioncoopsuk@gmail.com

Contact us via our website:

<https://unioncoopsuk.wordpress.com/contact/>

Follow us on Twitter:

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Alex Bird, Pat Conaty, Mick McKeown, Anita Mangan, Cilla Ross, Simon Taylor

⁴² https://en.wikipedia.org/wiki/The_Lucas_Plan

⁴³ <http://lucasplan.org.uk>

⁴⁴ <https://www.uk.coop/about/about-co-operatives-uk/our-governance/strategic-members-groups/co-operative-development-forum>