

# Co-operantics

## Co-operative skills for everyone

### De-bunking co-operative mythology

There seem to be a lot of myths about co-operatives, and perhaps because there is no legal definition of a co-operative (at least in the UK) that's only to be expected. So let's have a go at de-bunking some myths:

#### **Myth 1 - Everyone gets equal pay in co-operatives.**

Not true. Of course all co-operatives would subscribe to equal pay for equal work, and while some co-operatives do have an 'equal pay for all' policy, for example Suma workers are paid the same daily net wage plus allowances and overtime or time in lieu to reduce hours imbalances, this is by no means common. Many co-operatives have pay scales and pay differentials. Some cooperatives follow the example of Mondragon in the Basque country, and limit differentials between managerial staff and shop floor workers pay.

#### **Myth 2 - All co-operatives rotate jobs**

Not true. Some co-operatives encourage some job rotation – again, Suma is an example. They call it multi-skilling and say *"It allows us to use labour and skills more efficiently to cope with the troughs and peaks of business. It enables Suma members to cope with high work loads. It keeps people fresher and enthusiastic for longer and it allows recuperation from stress"*. However job rotation needs to be well-managed and co-operatives should be aware of the costs of job rotation. If you are learning a new job, you will not be up to speed for some time, and nor will the person teaching you. This is a cost which needs to be built into budgets and projections.

#### **Myth 3 - In a co-operative, everyone is involved in all decision-making.**

Not true. If they were the business would not survive. Co-operative members have to learn to trust one another and delegate power to take decisions to sub-groups or individuals. Of course those individuals are answerable to the whole co-operative for the quality of their decisions.

#### **Myth 4 - You can set up a worker co-operative for other people**

Not true. However well-intentioned, people who seek to set up worker co-operatives for others are eventually obliged to recognise that it is simply not sustainable. The concept of 'selfhelp' is a central one for worker co-operatives, and if employees do not genuinely take ownership of the co-operative, eventually it will fail, or degenerate into a private enterprise. It may take a few years, but it will fail. Worker co-operatives are owned and controlled by their workforce. Control is the key word here. How can employees control the business if someone else (even a well-intentioned person) is pulling the strings?

#### **Myth 5 - A co-operative is a sort of voluntary organisation**

Well, perhaps just ignorance, rather than a myth, but it is still not true. A co-operative is a business. Trading in a commercial market place. It may need grant funding to get going, but it must eventually be commercially viable. If it depends on grant funding it is a voluntary organisation, not a co-operative.