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ABSTRACT

The workers' cooperative movement has grown in many countries of Europe, where it is often state-sanctioned and supported. In Australia, however, the movement is just beginning. The government organization of what are called cooperative development programs is the dominant new feature on the Australian worker cooperative scene. However, funding is only marginal. Cooperative development programs are not worker cooperatives either, and their origins in Australia from state government initiatives are a long way from the origins at grassroots level that idealists concerning worker cooperation would possibly have preferred. Nevertheless, the programs are facilitators for worker cooperatives. The structure of Australian cooperatives and related development programs varies by state. Cooperative movements place great importance on education. In Australia, this principle needs to be pursued vigorously if cooperation is to become established successfully. Since the cooperatives now operating in Australia are too small to operate their own educational systems, they must rely on systems already in place, such as TAFE (Technical and Further Education). The responses of TAFE to the educational needs of worker cooperatives in Australia have varied considerably state by state. Until the cooperative movement has developed its own formal education system, more formal connections among the movement and TAFE and other education systems will be needed. TAFE has a role to play in the success of the workers' cooperatives. A four-page bibliography is included. (KC)

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EDUCATION AND WORKER CO-OPERATIVES

Some perspectives of the Australian TAFE connection

Denis Davis

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F O R E W O R D

This report comes at a time of increasing interest in the concept of worker co-operation in Australia. It follows a major report on the topic recently produced for the South Australian Government and sheds additional light on some of the issues raised in that report.

The author, Dr. Denis Davis, Director of the Centre for Research in Education and Work (CREW) at the School of Education, Macquarie University was commissioned by the TAFE National Centre to report on worker co-operatives and their relationships, both present and future, to TAFE in Australia.

Dr. Davis is to be congratulated on the quality of this report as it was produced under constraints of time and resources. It provides a valuable resource for TAFE personnel interested in the field of worker co-operation.

In common with all Centre reports, the views expressed are not necessarily those of the Board or staff of the TAFE National Centre for Research and Development.

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EDUCATION AND WORKER CO-OPERATIVES SOME PERSPECTIVES OF THE AUSTRALIAN TAFE CONNECTION

TERMS OF REFERENCE

The author of this paper was asked by the TAFE National Centre for Research and Development to report upon TAFE and worker co-operation in Australia.

Certain restrictions have prevented the fullest carrying out of this instruction. The first concerned availability of time and resources. A letter notifying TAFE departments or divisions (whichever applicable to the region) of the study was sent to each State or territory, and invitations to visit were received back from Queensland, New South Wales, Victoria, South Australia, Western Australia, and the Australian Capital Territory. Time was available, however, to visit and consult only with the TAFE and worker co-operation development authorities in New South Wales, Victoria, South Australia, and Western Australia. Australian data in this paper refer only to these States. The author apologises for not having been able to visit the other regions.

Time restrictions also meant that in general only central personnel in both TAFE and worker co-operative agencies were visited, so the views of persons at TAFE colleges or members of local worker co-operatives may or may not be different from views expressed at central level. Hence, as the title states, this paper can only claim to report on 'some perspectives'.

Restrictions also arise from the nature of the topic. In the first place the scene is changing. The scene painted a year ago would have been substantially different from the scene painted in this paper; inquiries are afoot that could cause the scene to be significantly different in another twelve months. Readers should therefore bear in mind that what this paper describes was the scene of May-June, 1984.

In the second place, the scene is very complex so that describing the relationship between TAFE and worker co-operation cannot be done directly. Co-operation, particularly worker co-operation is a form of labour market structure and philosophy currently familiar to only small sections of the Australian population and Australian labour movement. The relevance of this to education needs explaining, as does also the very important role that education needs to play in co-operation. Finally, the TAFE source is only one of a number of sources of education on which worker co-operation can draw, and TAFE's relationship to these other sources needs consideration before the nature and parameters of TAFE's current contribution to worker co-operation can be appreciated. This paper endeavours to draw the reader's attention to each of these points in turn.

Much of the data for this paper has had to come from primary sources and unpublished material. It has necessarily involved the time of the persons the author has visited, rung on the phone, or written to. He would like to thank them for their efforts, as also he would like to thank the TAFE National Centre for Research and Development for requesting the paper and re-arousing his interest in the field. At a time when both capitalism and State socialism seem to be failing through either conflicts or suppression to achieve the best interests of the working people, interest is again being shown in worker co-operation as a possible option.

INTRODUCTION

Co-operation as a philosophical and labour market concept is not well known in Australia. Even when people have had dealings with co-operatives (for example, dealings with dairy farmer producers' co-operatives, housing co-operatives, book co-operatives, etc), in the main, their dealings would have been little different in nature from those with any other type of firm. Most people dealing with co-operatives would have been dealing as employee or as client, few as members, and, even if they had been, would possibly not have felt any different relationship to a co-operative as a member than they would have to a corporate company as an ordinary shareholder.

Of course, this lack of awareness of the co-operative philosophy does not hold true for everybody. A section of the Australian public is actively involved in co-operative ventures but it is not a large section, and certainly the section which would be actively involved in the type of co-operation with which this paper is concerned, namely worker co-operation, would be very minute indeed.

Most Australians might be surprised, therefore, by the extent to which co-operation is big business in other parts of the world, and even more in how important in some regions worker co-operatives are. In Italy and France worker co-operatives have been strong for some time, have the support of the State, and form part of the socialist movement. In Poland and Denmark they are strong, and they have a significant presence in the Philippines and Malaysia.

But in the Anglo-Saxon world, in spite of the fact that this was where some of the earliest experiments in worker co-operation began, worker co-operatives have been weak. In England only a handful of the original nineteenth century worker co-operatives now survive, most of the support for worker co-operation in the socialist movement having been eroded in the early twentieth century, partly by the powerful arguments against it by Sidney and Beatrice Webb, and partly by its never having had the support of State legislature as it has had on the European mainland.

In Australia the position of worker co-operation is even weaker than in England. Until the last ten years, experience of it has been, to all intents and purposes, non-existent.

Yet in both England and Australia interest in worker co-operation is burgeoning - in England, reviving, in Australia, being born. The English revival, however, seems much stronger than the Australian birth. Nevertheless, one shouldn't believe that its history has always been one of success. A number of worker co-operatives, set up to preserve workers' jobs, have failed - sometimes because the workers didn't have the skills for co-operation, but sometimes because of overseas competition.

The English rejuvenation of worker co-operation is being initiated by interests from private industry, unions, local communities, and by governments. In Australia it has been born as and still substantially is, an experimental thrust of government; only in certain isolated pockets of the workforce and of local communities has it received much support.

It still lies outside the trade union movement, which though not opposed to it, is still somewhat diffident in its attitude. Its growing up has also been hampered by the lack of an appropriate legislative structure. The law on co-operative organisations is in some of the States inappropriate to the organisation of worker co-operatives which have had to register under ordinary corporate law, and by so doing have had to miss the particular privileges and advantages that governments sometimes reserve for co-operative organisations.

Yet the fact remains that Australia and England, together with the rest of Europe and many other parts of the world, are being alerted to the role worker co-operation might have to play in helping resolve particular problems in the labour market process. Co-operation is an alternative to both capitalism and State socialism, and its supporters canvass it primarily because its operation is based on co-operation and not on the conflict and confrontation processes built into the other two systems. Certain of its promoters also see it as relevant for job creation or job preservation in the current unstable labour market, and substantially for this reason the British Government and certain Australian State governments have given it financial support. However, the compatibility of the philosophy of co-operation with the desire to create jobs depends substantially upon the context and management of the co-operation program. They are not compatible when a welfare oriented employment program compromises the viability of the economic independence of co-operation. Both in Australia and elsewhere confusion of purpose between welfare and economic viability in relation to worker co-operatives has caused government promotion programs frequently to have either a shaky start or a complete collapse.

The worker co-operative movement has been encouraged, however, and has been winning support, through the success of the Mondragon system of worker co-operatives in Northern Spain. This system is mentioned here because it is having considerable influence on thinking in this country. Nevertheless one of the basic principles of the Mondragon system - the payment by workers of a high capital equity - has been specifically rejected by the recent TNC review of worker co-operative policy in Victoria and

in New South Wales. It will be interesting to see what policy the Australian labour market will eventually adopt.

The success of the Mondragon system has disproved the contention of the Webbs that worker co-operation is no more than an ideal, doomed to remain stagnant, small, and poverty-stricken if keeping to its socialist principles, and only able to prosper by losing the socialist and taking on the capitalist identity. The Mondragon success has done much to help worker co-operation begin to win back the ground it had lost this century in Anglo-Saxon socialism, and allay the fears of the trade union movement. Commonwealth and State Governments now support the expansion of worker co-operatives, but bearing in mind the diffidence of trade unions, the support is given subject to strong conditions. For example, the statement by the present Victorian Government in respect of worker co-operation is:

The Government will also continue to support the establishment of worker co-operatives subject to their capacity to achieve economic viability, their commitment to co-operative principles and industrial democracy, and meeting award wages and conditions. (Treasurer, Victoria, 1984, p. 25)

The 're-education' of trade unionism, particularly in Australia, has to go a long way before the hostility, now substantially removed, becomes positive support and active promotion, but at the moment the trend is in the latter direction. One of the thrusts of a worker co-operative education program is to help to develop trade union support.

The history and current status of worker co-operation, therefore, raises issues that are going to be of relevance in the discussion of worker co-operation and its use of education. Three issues stand out:

- . the correct definition of the nature and purpose of worker co-operation so that it is not asked to do what it has not been created to do;
- . the raising of awareness of worker co-operation among the community as a whole so that it has a population knowledgeable of its intent, and competent and eager to be its members;
- . the familiarisation of the trade union movement with the socialist principles of worker co-operation and the complementarity of purpose it can have with trade unions in raising the quality of the working life of the worker.

CO-OPERATIVE AND WORKER CO-OPERATIVE SOCIETIES

The principles adopted by the International Co-operative Alliance in 1966 are listed in the Attachment to this report. According to these, a co-operative society is an institution:

- . whose membership is voluntary, non discriminatory, and open to all making use of its services and accepting the responsibilities of membership;
- . whose affairs are democratically run by its members;
- . whose income, if any, for members, is primarily generated by the trading or production activities of the firm rather than from the interest on subscribed capital.

The definition does not, however, necessarily make employment a central purpose, nor put membership or control of the co-operative in the hands of its workers. In fact neither of these features is characteristic of the type of co-operative - in primary industry, housing and finance - common in Australia.

A worker co-operative is a distinct type of co-operative in that in addition to conforming to the six co-operative principles:

- . its central objective is to provide and maintain employment for its members;
- . its membership consists of its workforce;
- . it is owned and controlled by its members.

The constitution of the Mondragon worker co-operative system is even tighter. Under its constitution regulations are such that workers must put a substantial 'financial stake' into the equity of the co-operative, thus ensuring their commitment; all equity must always remain with workers thus ensuring their control; and the viability of each co-operative venture is thoroughly researched, thus helping maximise the chances of its success.

Very few enterprises in Australia could claim to be conforming to all the general rules of a worker co-operative listed above, and certainly there is no co-operative system of the Mondragon model. Nevertheless, the principles of Mondragon, such as total worker equity and control, substantive worker 'stakes', 'hard-nosed' business viability, are becoming well known in Australia, and have already begun to influence the thinking of certain of the worker co-operative development agencies.

CURRENT AUSTRALIAN INITIATIVES IN WORKER CO-OPERATION

Apart from the growth of alternative life style movements, the government setting up of what are called co-operative development programs is the dominant new feature on the Australian worker co-operative scene. However funding is only marginal. At the end of an experimental three-year program in June 1982, the NSW Government allocated \$600,000 for the Program in 1982-83, and \$500,000 in 1983-84. In Victoria, \$600,000 was provided in 1981-82, \$850,000 in 1982-83, and a similar amount in 1983-84 (Green, 1984).

Alternative life-style movements have sprung up and achieved importance in a number of regions in Australia, including Nimbin in New South Wales and Margaret River in Western Australia. They also have some features of worker co-operatives. But their common feature of opting out of the market system as well as out of the area of dependent employment is not a common feature of the traditional worker co-operative model, and for the purposes of this paper therefore they are excluded from discussion. The worker co-operative model in its pure form has in contrast to the alternative life style movement a 'hard-nosed' business orientation.

Co-operative development programs are not worker co-operatives either, and their origins in Australia from State government initiatives are a long way from the origins at grass roots level that idealists concerning worker co-operation would possibly have preferred. Nevertheless, the programs are 'facilitators' of worker co-operatives, for, apart from providing technical assistance to existing co-operatives, they are aiming to facilitate the birth of worker co-operatives as new firms, as well as to assist the conversion of existing business into worker co-operatives.

The structure of Australian co-operatives and related development programs varies by State. Under its program, New South Wales possesses a worker co-operative development agency; Victoria, a co-operative development program unit; Western Australia, a community employment initiatives unit. Attempts have been or are being made in Tasmania, though, apparently, not yet successfully, to establish an agency. South Australia has taken another direction, although the minister of the relevant State Government department is visiting Mondragon, and initiatives might yet follow.

As yet, no government developments seem to have occurred in Queensland. The non-government co-operative federations are also a source of support for worker co-operatives and also may assist in government initiatives. Such federations exist in New South Wales, Victoria, South Australia, and Western Australia, and, one, the Co-operative Federation of Australia, exists at the national level. Although mainly consisting of co-operatives that are not worker co-operatives, these federations may be able to assist the government initiatives in a number of ways, including, in the case of New South Wales, providing a host body for the government's funding of worker co-operative ventures.

Of all the government initiatives, the New South Wales program seems to be the most exclusively directed in nature and purpose to worker co-operative principles. Its program initiatives are only concerned with worker co-operation, whereas worker co-operative initiatives in the case of the Western Australian Community Employment Initiatives unit are only one parcel of its program, and, in the case of the Victorian Unit, share a place with community and similar co-operatives. The New South Wales Development Agency, also, though funded by government through the Worker Co-operative Development Committee, stands outside

government departments and is seeking incorporation as a company limited by guarantee. On the other hand, both the Victorian and Western Australian units remain located in government departments, in the Victorian Ministry of Employment and Training and in the Western Australian Department of Employment and Training, respectively.

Western Australia possesses in addition to the government unit and the non-government co-operative federation, a non-government agency called the Community Enterprise Development Agency, a body acting as a resource and business advisory centre to co-operative enterprises. Like the government unit, its policy is not solely dedicated to a promotion of worker co-operatives, but also to the promotion of other options such as community co-operation, wherein members of the community, instead of, or, in addition to, workers, own the equity.

New South Wales is the only State which has currently established an independent funding body, Common Ownership Finance Pty. Ltd., incorporated as a wholly owned subsidiary of the Co-operative Federation of New South Wales.

In both New South Wales and Victoria, government funding policy has made a major shift from a form of pure grant to a mixture of grant and loan finance, the rationale being that total grant finance fosters dependence rather than independence - a basic principle of worker co-operation.

Government initiatives in the system of setting up and supporting worker co-operatives are comparatively more pronounced in Australia than in European countries. Government initiatives have been important in other countries, but other sources have had far more weight than in Australia. New co-operatives in Italy and France have had an already strong worker co-operative network on which to draw for assistance. The Mondragon success was originated by a Jesuit priest and by the local community. In England, one of the outstanding initiatives has come from private companies, such as Scott Bader, private foundations such as the Lady Margaret Settlement Trust, and, albeit, often with central government seed money, local enterprise trusts run by local communities.

All this is not to deny that local Australian communities have not attempted and sometimes succeeded in generating employment through co-operatives, nor that some private firms have not, on employer or employee initiative, sold out employer equity to employees. However, the community ventures have frequently created co-operatives with community as distinct from worker equity, and in Australia are known as community co-operatives; while employee takeovers of employer equity are conspicuous by their rarity.

WORKER CO-OPERATION AND EDUCATION .. ITS POSSIBLE SOURCES

Co-operation lays great importance on education. The following is the fifth of the six principles of the International Co-operative Alliance:

All co-operative societies should make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of co-operation, both economic and democratic.

In Australia, this principle needs pursuing vigorously if co-operation is to become successfully established. The public at large needs education on what co-operation is about, the trade union needs education on how co-operation can be used to share its aims, and finally, actual and potential co-operative members need education on how to work and share responsibility together with each other while running viable and competitive businesses.

A lack of appreciation of the skills required to run worker co-operatives might help explain why people sometimes mistake co-operation as an appropriate employment strategy for unskilled workers or early school leavers. The NSW Government made the error of targeting the co-operative program on unemployed youth when it was started in 1979. But it was soon discovered that though co-operation might be able to take 'on board' young people without much experience or skills as it grows, and though the creation or preservation of employment of its members is the first aim of a worker co-operative, employment through co-operation needs skills found through maturity, experience, training and education.

Indeed the Victorian Co-operative Development Program Unit states in its Guide to applicants that co-operatives to be considered for funding must 'develop and implement an education and training plan' and will be considered unacceptable for funding if they 'do not have skilled and competent people to manage the co-operative'.

However, though the need for training in co-operatives is evident, there are many forms and directions that its provision in Australia might take. This paper intends to describe the forms being provided through TAFE, but provision can take many forms, in and out of TAFE, and, in and out of educational institutions.

Some of the overseas co-operative systems have 'internalised' their own education system. For example, the Mondragon system has its own technical college co-operative which not only provides technical education for the whole system's members, but runs a production co-operative giving students 'hands-on' experience and income while they are engaged in theoretical learning.

It is common for the national co-operative systems to apply a levy on turnover that can be used for the education of members and of the community. In France, co-operatives put ten percent of turnover into a training fund, in the Philippines, ten percent of profit has to be spent on education - half on a government training scheme, and half on the co-operatives' own schemes.

In Australia, worker co-operatives are still too few in number and too small in size to form any system capable of supporting its own educational programs. One day such a system might be established, and indeed worker co-operatives are strongly encouraged under the co-operative development programs to work together. Co-operation between co-operative societies is the sixth principle of international co-operation.

But, until worker co-operation has become a movement in Australia, sufficient, if it so elects, to develop its own education system, its only alternatives are to utilise the services of other systems. Which ones it has available and which would be appropriate to link to depends partly upon the purpose of the education in co-operatives. For various purposes TAFE could be one of these systems, but other parts of the educational sector might also be equally if not more suitable. Schools, for example, might be a more appropriate place than TAFE to launch awareness programs of co-operation, and TUTA (the Trade Union Training Authority) more appropriate than TAFE for launching programs for both trade union and co-operative members on principles of industrial democracy.

Nevertheless there are certain areas of education needed by worker co-operatives which TAFE would probably provide better than most systems, and some of these will be identified in the next section.

There are situations, however, in which advocates for the worker co-operative movement are not only concerned about educational systems (including TAFE) providing, but also not providing education in co-operation. They are concerned, for example, at the possible damage to the aims of worker co-operatives when the vehicle for providing education takes on a worker co-operative without the environment or input into it to help it succeed as a worker co-operative. The educational instigators of the venture might have the enthusiasm, but perhaps not the business acumen for its success. The venture's rationale as an educational rather than as an economic venture is also against its success. And then, even if the educational instigators should have the skills and the perseverance to be able to cause it to prosper, it is questionable whether it can provide continuity of employment for the students and eventually make itself and them independent of the educational institution.

The argument for educational systems setting up co-operative ventures as educational vehicles in co-operation is that they may provide, if well organised, very valuable experiential learning in co-operatives. But the argument against their going further and becoming employment oriented is that they are rarely in a

position to do so successfully, at least, not in this stage of development of worker co-operation in Australia. If they are not successful, they could be counter-productive. One of the advantages of the Victorian worker co-operative and TAFE link, described later, is that it recognises this danger, and sifts out any schemes that would obviously fail because of lack of economic viability before they obtain intensive TAFE investment.

At the moment some of the strongest education incentive is coming from the worker co-operative development programs. In each State and between States they have been substantially responsible for establishing formal and informal communication channels between co-operatives and their members, bureaucracies, and educational institutions. They have acted as a clearinghouse, through newsletters, such as Work Link, and papers on ideas and initiatives taken within the country and overseas. For example, much of the influence of Mondragon upon current thinking could be ascribed to the research and communication through this network.

Nevertheless these programs do not so much originate ideas or provide training as help channel them and direct attention to them. Eventually as the worker co-operative movement matures one would expect it to take over many of these educative communication functions itself.

WORKER CO-OPERATION AND EDUCATION - ITS FACETS

The fifth of the six co-operative principles makes it clear that there are several facets of education in co-operation. There is obviously the requirement for educating the general public as well as the co-operative members. And there is the requirement for educating in the principles and philosophy of co-operation as well as in the practicalities of management and production of goods and services.

David Goldsworthy of W.A. TAFE has identified three 'layers' of co-operation education and training:

- . Layer one: Increasing general community awareness of the nature of co-operatives.
- . Layer two: Initial pre-co-operative training.
- . Layer three: Ongoing education and training of co-operative members.

These 'layers' are not always going to be supplied, or even principally supplied, by TAFE. On the other hand, what TAFE can supply for worker co-operatives, is not always, or even principally with worker co-operatives as the chief clients in mind.

Goldsworthy and Firth have another useful classification in understanding this point. They draw attention to the fact that employment can be seen on two planes: whether it makes the worker dependent or independent of an employer, and whether or not it falls within the formal or informal market economy. In their pure form, worker co-operatives provide independent employment in the formal economy. However, so do a lot of small businesses, sole proprietorships, and partnerships. Hence the skills that worker co-operatives need for market viability - planning, bookkeeping, money management and budgeting, sales and promotion skills - are very much those required by any small business, and whose absence, whether in worker co-operatives or in other small businesses, can contribute substantially to their failure.

The knowledge and skill requirements of co-operative and other business enterprises are similar - the preparation and implementation of business plans, entrepreneurialism, management and managing, establishing and maintaining records and systems, preparing and analysing financial statements, developing and implementing marketing strategies. (Guidelines: The Business Plan, Victorian Co-operative Development Program.)

The teaching and training of such business skills come well within the ambit of the small business units of TAFE as they also fall within the ambit of the small business units of other areas of government. For example, the Community Employment Initiatives Unit of the W.A. Department of Employment and Training refers many of its clients to assistance available in the Small Business Development Corporation.

In addition to a need for business skills, workers co-operatives and other businesses would have a common need for specific producer and artisan skills. Training in many of these skills could reside in TAFE.

However, over and beyond the skills required for small business, worker co-operatives have other educational needs.

There are also significant differences, however, and these could broadly be categorised as co-operative characteristics which could include the in principle and practice attempt to marry commercial viability with work and workplace democracy and a commitment to socially useful products and/or services. (Guidelines: The Business Plan, Victorian Co-operative Development Program.)

In summary, then, education in the worker co-operative area demands:

- . increasing community and trade union awareness of worker co-operatives;

- . educating potential members of co-operatives in the principles and practices of worker co-operation before they commit themselves;
- . ongoing education of worker co-operative members in principles and practices.

The practices contain the need for many business and production skills essential for successfully running any small business but the principles distinguish worker co-operatives from other small businesses, and require education in much of the philosophy that could be pertinent to socialism and trade unionism.

THE RESPONSES OF TAFE

The responses of TAFE to the educational needs of worker co-operatives in Australia have varied considerably State by State, and, in detail and formality, do not always correspond with how far the worker co-operative development program has progressed in each State. For example:

- . one of the models which has impressed other States has come out of South Australia, where there is no formal worker co-operative program;
- . although N.S.W. may have gone further in its aims to foster a pure worker co-operative model, it is not as far ahead as Victoria in establishing formal links between the development program and the TAFE sector;
- . finally, although Western Australia has one of the most recent programs and as yet no formal links between worker co-operatives and TAFE, the conceptualisation of ideas by, for example, Goldsworthy, seems to be in the forefront of the theoretical thinking within TAFE.

Victoria is the State which has done most to formalise the contributions that TAFE might make to worker co-operation.

At the pre-co-operative level, at Holmesglen College of TAFE, the Victorians have been developing and experimenting in 1983 and 1984 with a basic co-operative skills course for unemployed youth. The primary aim of the business component is to give students 'a degree of financial literacy and an awareness of the legal and taxation requirements of operating in a co-operative business'. The rest of the course includes components on co-operation, per se, and on human relations.

Two problems confronting the Holmesglen research unit were the lack of much appropriate teaching material on co-operation, and the lack of any models of co-operation appropriate to serve as teaching vehicles. Staff in the Participation and Equity or in the Community Employment Programs, through which the target group were likely to be reached, needed, as much as students, to see models of co-operatives in action before they could feel either eager or confident in handling the curriculum.

In the last twelve months, the Holmesglen research team has gone a long way in developing teaching materials at a level suitable for the target group (Fenelon, 1984). In addition they have also written materials on co-operation which the State's co-operative development program unit has found succinct, clear and accurate for giving to their clients.

Holmesglen's success in establishing a model has, however, still to be proven. An initial attempt was made in April 1984, to recruit 10 unemployed youth through the Commonwealth Employment Service and form them into a co-operative to start a newspaper (Age, 2 April). Apparently the purpose of the enterprise was not to establish a worker co-operative viable for employment, but one serving as a vehicle to develop skills and motivate people towards self-employment. However, in May, the venture was apparently still having difficulties in being established.

The Victorians have also established a formal relationship between their Co-operative Development Unit and TAFE and other educational institutions. The Victorian Government finances a co-operative support services team at Preston College of TAFE to provide a three phase program. Applications for all phases are made through the Co-operative Development Program Unit of the Ministry of Employment and Training, the Unit using the first two phases as a means of developing and screening applicants for financial and technical support under the Program.

The first phase is a pre-co-operative course of 18 hours, designed for persons thinking of starting a co-operative, and aiming to result in an application for funding to do Phase Two. Participants in Phase Two are funded while participating--a feature of considerable importance.

The screening between Phase One and Phase Two has in the first period of operation of the program been very severe. About 25 groups, involving about 60 people, entered Phase One, held first in October 1983, of these, only four of the groups under the Co-operative Development and one group under the Employment Initiatives Programs were invited to continue into Phase Two.

Phase Two is an intensive program centred on the preparation of a business plan, serving as the basis for the submission to government for financial and technical assistance.

This part of the support service has:

- . 78 hours of workshops covering aspects of research and planning, with topics in marketing, finance, trade unions, and workplace democracy;
- . feasibility research with monthly appearances before an advisory board;
- . a review of completed business plans approximately four months after the completion of the workshop.

At the time of researching for this paper the first 'run' of Phase Two was still taking place. Phase Three is an advisory service, the finance for which the co-operatives may have built into their subsidy request to the Victorian Government. A service agreement is made between the co-operative and the Preston team in the case of the Preston program. However, the Government also funds consulting services with the School of Business, Ballarat CAE, and with the Collingwood-Richmond-Fitzroy Credit Co-operative.

As far as the writer is aware no other States have established structures between TAFE and worker co-operation as formal as these established by the Victorians. Nevertheless, TAFE has been contributing to the development of worker co-operatives in several States on a less formal plane to that operating in Victoria. In what it is intended to do, this lesser formality may not necessarily be a measure of inferiority but of strength. Worker co-operative members are usually busy people requiring specialised services at times minimising interruptions to production. Therefore, formal courses are frequently less appropriate than 'customised' services given on demand in locations convenient to the workplace. This is the way TAFE has sometimes been able to respond.

In Western Australia attempts have been and are being made through the Participation and Equity Program in TAFE to increase community awareness of worker co-operation as one of a number of independent employment options. Much of the initiative came from a conference held in Kwinana in 1982. Since then, foundation for employment courses with a self employment orientation, including worker co-operation, have been run for 12 weeks at Claremont in 1983, and for 18 weeks at Fremantle, this year, with another one for 18 weeks being scheduled for Perth later in the year.

TAFE has an officer within its Participation and Equity Program Unit whose functions include maintaining liaison with other organisations, such as the Community Enterprise Development Agency, the Community Initiatives Unit in the Department of Employment and Training, with CYSS groups, and with community organisations which may be fostering worker co-operation as one of the self-employment initiatives. In this function of liaising the officer directs the attention of external bodies to services that might be provided on an ad hoc or semi-formal basis from TAFE colleges, from TAFE's adult education program, and from TAFE's 'Short Vocational Course' section.

Other functions of the officer include encouraging the development of distance learning aids. A program may, for example, be approved by several training groups, including TAFE, among others, to produce distance learning materials in co-operation and business skills for persons not able to attend formal classes. Western Australia sometimes refers co-operative and self-employment clients to business skills distance programs, for example, that are run by Darwin Community College.

Another joint initiative by W.A. TAFE with other groups is in a submission by TAFE, the Department of Employment and Training, and the Small Business Development Corporation to the Commonwealth Department of Employment and Industrial Relations for funding of self-employment schemes on the South Australian model, containing a major training project, including possibly one component with a worker co-operation orientation.

South Australia does not currently have a major worker co-operative initiative (though one may be pending) and consequently no existing relationship between worker co-operation and TAFE. Nevertheless, South Australia has a much admired Self-Employment Ventures Scheme, with a training program component. The course is run by the W.E.A., not TAFE, is jointly funded by the Commonwealth and State Governments and lasts for 12 weeks, concentrating, in addition to class work on small businesses, on a project specific to the applicant's business. The model possibly influenced the scheme in Victoria and the application being made in Western Australia, described above.

South Australian TAFE no longer seems to be seriously involved in self-employment initiatives. But, if not the first, it was one of the first TAFE systems to have a program providing skills for young people in self-employment and co-operative institutions. The program, called the Unemployed Youth Program, was started by the S.A. Department of Further Education in August 1976. The program obtained a favourable review from within the Department but for various reasons was discontinued. Its structure included the appointment of regional project officers to carry out an entrepreneurial role. They had to locate areas of need, locate resource banks of skills, and organise community support councils to assist unemployed youth. Identification with the local TAFE college was minimised. Teachers were drawn from local skilled workers and housewives in the community as well as from formal educational sources. In the event, some local industries were formed, which continued for some time. The production of 'ugg' boots was one of the best remembered.

New South Wales TAFE associations with worker co-operation seem to be mainly continuing on an informal plane. No structure exists similar to that in Victoria at either Holmesglen or Preston Colleges of TAFE, although ad hoc servicing of worker co-operative needs is made through the Outreach program.

The Common Ownership Development Agency of N.S.W. in its Report and Submission, October 1983, makes reference to its intention to 're-establish' contact with TAFE to assist in education and training programs. This initiative was scheduled for the beginning of 1984 but apparently has not yet eventuated, at least, not to any degree at a public level.

The N.S.W. TAFE Outreach program, however, has been assisting workers to set up and learn skills for co-operative ventures. Some of these in Newcastle have involved the N.S.W. Common Ownership Development Agency in sending officials to give lectures. Another venture run by TAFE Outreach from Randwick has

resulted in about six Vietnamese immigrants applying to the Agency for assistance as a co-operative. On the whole, however, the Agency has been wary of such education-based initiatives becoming associated with their own, preferring to establish worker co-operatives on a business rather than on a welfare basis.

TAFE Outreach in New South Wales has also been involved in assisting workers wanting to set up co-operatives in Wollongong. Some examples of the groups it has been or will be assisting are:

- . a group of former AIS employees forming a home and industrial maintenance co-operative;
- . a garden co-operative being formed by occupants of the Fairy Meadow Housing Trust;
- . unemployed Spanish-Americans organising a furniture-making co-operative.

Some of the funding for these projects has come from Commonwealth TAFEC grants, LATA (Labour Adjustment Training Arrangement) grants, and CEP (Community Employment Project). The concentration of these funds in regions of recent labour redundancies like Newcastle and Wollongong would help account for the involvement Outreach has had with worker co-operatives in these regions.

Another response to a new TAFE initiative, as recent as May-June o. this year, is the approval given by the Commonwealth Government to its providing transition allowances for unemployed youth undertaking 'development' courses. These courses, new for N.S.W., aim to develop self-employment initiatives. Among the number so far approved is one for developing employment in home catering at Muswellbrook, one for art metal work at Bankstown, and one for horticulture at Padstow. As self-employment ventures they are not necessarily going to be, but, they could be, formed into worker co-operatives.

CONCLUSION

The TAFE and worker co-operative relationship has taken a number of different directions in different States, each with its own advocates and critics.

The most formal structure is in Victoria, and it has the advantage of strongly linking the development of worker co-operation with an arm of the education system and screening applications for assistance before TAFE resources are too heavily committed. Other States have less formal connections, and have assisted (as has Victoria) in providing worker co-operatives with 'education on demand'.

Until, at least, the co-operative movement has developed its own formal education system, there would seem to be a case for the development of formal connections between worker co-operative

development agencies and the educational system, albeit with TAFE, but also with any other system that might provide its members with the appropriate skills they require. In order to make the link TAFE should have to demonstrate that it has the appropriate resources for co-operation. On the other hand, for TAFE to consider responding on any larger scale than it is at present there would have to be a demonstrated demand for such programs.

The worker co-operative movement also needs strong affiliations with the trade union movement, so it is also important that it makes formal links with the education and research resources of the movement.

If and when formal links are established, the informal linking network should continue. TAFE is particularly able through programs such as Outreach to help provide the flexibility of education and training that worker co-operation often needs.

TAFE has a role to play at pre-co-operative levels of education, introducing potential members of co-operatives to some of its principles and practices. The difficulty of doing this at a purely theoretical level has already encouraged some TAFE institutions to attempt to set up co-operative models for students which can act as educational vehicles. Though such models might be based upon good educational principles, however, there is a fear among some worker co-operative advocates that any failure could do more harm than good to the promotion of worker co-operation. TAFE and educational authorities, therefore, need to take these ventures very seriously and either give them ample guidance and make sure they operate within appropriate structures and goals or treat them with great caution. Any half measure policy would be dangerous.

Although the making of the population aware of co-operation is more perhaps the province of schools and of the co-operative movement itself, there are certain key areas in which TAFE might participate. It might, for example, participate in educating 'facilitators' of youth employment, CYSS officers, etc, into a greater awareness of co-operation, and its advantages and pitfalls. The Western Australian Community Initiatives Unit is running such courses for CYSS officers. There would seem to be no reason why TAFE working with worker co-operative, youth, and community organisations could not also take such initiatives.

At times, from the TAFE perspective, the market for serving worker co-operatives might seem too restricted to warrant investing in it very strongly. But, then, the better approach for some TAFE systems might be to take the broad Western Australian one of seeing worker co-operation as one of a number of employment options for the community. Any thrust of TAFE towards aiding working co-operation then becomes part of aiding small business and self-employment initiatives. On the other hand, though this approach has a resource rationale, it could cause TAFE to underrate the importance of teaching the distinctive

features of worker co-operation. Like a number of the approaches, described above, therefore, this one also requires judicial management.

In conclusion, there would seem to be the need for some organisation to run a clearinghouse of strategies for developing worker co-operative education. Such an organisation should preferably be national in perspective and be able to see the needs of the co-operative movement comprehensively.

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**PRINCIPLES OF THE PHILOSOPHY OF CO-OPERATION AS ADOPTED BY THE
INTERNATIONAL CO-OPERATIVE ALLIANCE**

1. Membership of a co-operative society should be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.
2. Co-operative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.
3. Share capital should only receive a strictly limited rate of interest, if any.
4. Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members as follows:

- (a) by provision for development of the business of the co-operative;
 - (b) by provision of common services; or
 - (c) by distribution among the members in proportion to their transactions with the society.
5. All co-operative societies should make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of co-operation, both economic and democratic.
 6. All co-operative organisations, in order to best serve the interests of their members and their communities, should actively co-operate in every practical way with other co-operatives at local, national and international levels.