

# Co-operatives

At the end of January COSATU held a workshop on co-ops. NUM, NUMSA, POTWA, ACTWUSA and NUWCC attended. These unions have either set up co-ops or are planning to. *Cosatu News* asked NUMSA to write about their experiences with co-ops. Next month NUM will write on their experiences. The issue of co-ops needs much serious discussion. We hope these articles are only a start to the debate on co-ops in COSATU.



In June 1988 NUMSA called a national meeting of NUMSA supported co-operatives. Co-op members and co-op activists from SAWCO in Natal and the Consumer Co-op Project in the East Cape met in Port Elizabeth.

Sarmcol Workers Co-op Project, (SAWCO) is a co-operative project established by strikers fired by BTR Sarmcol in Howick, Natal, during May 1985. When union members saw that the struggle for reinstatement at the factory would be very long, ideas were put forward for collective activities to occupy and serve the strikers.

The first project to be established, in October 1985, was the T-shirt and button printing co-op. Since

then SAWCO has developed a production project - in agriculture, and three service projects focussing on health, cultural activities, and the production of a co-op newsletter.

### East Cape Initiative

Initiatives to start the East Cape Co-op Project came from workers in a local company. Workers at General Motors made regular contributions to a fund they had organised. At the end of each year, food and household goods were bought in bulk and divided equally amongst all the workers who had saved with the fund. This was how the idea of organising a consumer co-operative started in the East Cape. A committee of union members from different factories was set up to develop ideas about co-

operatives to serve workers and the community in the Port Elizabeth area. The committee is developing plans for a consumer co-operative and a building project.

The NUMSA meeting discussed many issues related to co-ops in general, and the specific problems of the NUMSA-supported co-op projects. The meeting dealt in particular with the principles on which co-ops are based. And it discussed why NUMSA supports the development of co-ops and how they should be linked to NUMSA.

### Democratic control in production

The most important principle on which the co-operatives are based is democratic control of produc-

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tion and distribution. This involves commitment by co-op members to developing democratic structures for planning and carrying out production and distribution.

Co-op workers and members need to be involved at every level of planning and decision making. But for co-op structures to be truly democratic, members need to gain the skills and experience necessary to understand and control all the procedures for producing and marketing the product. Co-op workers also need the skills for planning production and finances, and for effective administration.

Clearly not every member can know and understand every aspect of the work. But each member needs to know enough to participate effectively in making important decisions relating to the overall control of the project. It is especially important for all members to be able to decide together how to use the profits.

### Education with production

This means that a co-op cannot concentrate only on becoming productive and earning money. Co-op members must get training and education so that they can exercise democratic control over the project. In capitalist industry the skills of planning and managing a factory, workshop or shop are kept in the hands of management.

So when workers begin to run their own projects they need to start with careful discussion and planning. Workers need to plan how to finance the project; how to gain skills to manage and control; how to get training in ordering supplies, producing, distributing and selling their products. To succeed, the co-op needs to build up real democracy in production and distribution.

But at the same time workers should be productive enough to provide a living to the members.

### Union support for co-ops

The NUMSA meeting argued that it is important for the union to support the co-ops. It is important

for the worker movement to learn from the experience of co-ops. And it is important, if co-ops want to survive, to have the support of organised workers. Especially because we are building co-ops in a hostile capitalist environment. If the experience of co-ops is to serve the worker movement, then their mistakes and successes must be discussed and understood by organised workers.

### Co-ops and unemployment

Many people look to co-operatives as a solution to unemployment. But the capitalist system has been unable to solve the problems of mass unemployment in South Africa. This system controls the whole economy, while co-ops are only a very tiny part of the economy. The control over planning and over the massive resources required to begin solving unemployment is not in the hands of co-ops or unions at present.

The experience of co-operatives in other capitalist countries has also not led to a solution to unemployment. In Italy for example, where



the co-operative movement has been established for over 100 years, co-operatives control over 10% of the economy. But co-ops have not solved widespread unemployment in that country. The co-ops are linked to unemployed groups, but have not been able to provide jobs for most of them. Workers must be careful about

looking to co-ops to solve unemployment. If workers see this as the main aim of co-ops they can make the mistake of concentrating mainly on the number of jobs to be provided in a project. And they can fail to develop the democratic principles that make the workers co-op different from a capitalist business.

### Co-ops and worker struggle

We are not saying co-ops have no role to play in the workers struggle. A co-operative can be a school where workers have the opportunity to develop skills and experience they would never have access to while working for the bosses. This training can provide important lessons to the worker movement on how to build democracy in production. Similarly in the communities where workers live, consumer co-ops can develop community understanding and control over marketing and distribution of goods and services.

When workers call for an end to exploitation under capitalism, what they are saying is:

"We want democratic control over production and distribution, and over the profits we make for the bosses. We want control over the fruits of our labour."

Organised workers can use the experience of co-operatives to evaluate ways of building democracy in production and distribution. NUMSA support for co-operatives is important for the worker movement to gain from the experience of building and developing co-operatives. Co-op members in turn see the support of NUMSA and COSATU as important for the co-ops to survive and succeed in their struggle.

**Forward with  
workers power!**

**Workers power  
builds co-ops!**

**Education for liberation!**