

Co-operatives start small and cannot provide employment for everyone

AFTER the 1987 strike, NUM decided to set up co-ops for a few of the 13 000 workers who did not get their jobs back.

Most of the dismissed mineworkers came from Transkei and Lesotho.

The strike committee structures were changed into the structures of co-op societies.

These have been registered as the Basotho Mineworkers Labour Co-operative, and the Transkei Mineworkers Co-operative Project.

Since then, production co-ops making concrete blocks have been set up in Flagstaff and Umtata in the Transkei, and in Quthing in Lesotho. The projects in the Transkei have 63 members in each, and Quthing has forty members.

Shared benefits

A co-op is an organisation of people who come together to share their skills and resources - to help each other survive by co-operating together.

There are many different kinds of co-ops. But in all of them, the members are equal, and the benefits are shared between them.

The members work collectively and democratically. They elect the committees that are needed to run the affairs of the co-op, and these committees are accountable to the members.

Some kinds of co-ops create employment, while others help people to save money, or to add to their income.

Co-ops have been set up all over the world, where workers have tried to use their own resources to escape the oppression of the factory, or the misery of unemployment.

But all over the world, co-ops have faced many problems. Many collapse, resulting in hardship for their members. We need to understand the problems co-ops face, and learn from the experiences of other countries, to make sure we don't make the same mistakes.

Different kinds of co-ops face different problems. But production co-ops face the biggest difficulties.

In South Africa today, most production co-ops have about ten members. And most co-op members earn about R140 a month. From this, we can see that production co-ops are usually quite small and they are not leading the way in paying a living wage. In fact, co-op members are suffering.

Problems co-ops face

Co-ops are different from capitalist companies, because they are democratically run. But in some ways, they are the same.

Each month, they have to make enough money to pay wages, and to buy the materials they need to continue production. Making money by producing and selling products is not always easy.

Co-ops often have difficulty selling the products they make. Sometimes, this is because they are producing something that is already being produced by capitalist companies who have sophisticated machinery and can sell products cheaply.

Management skills

Co-ops have to learn the skills of democratic management, and this is often tough.

To make enough money to pay decent wages, a co-op has to run efficiently, and has to meet its production targets. For example, the Phalaborwa Workers' Co-op has to make and sell 3 500 t-shirts a month.

If anything goes wrong, the members may not be able to pay themselves wages that month. And there are many things that can go wrong.

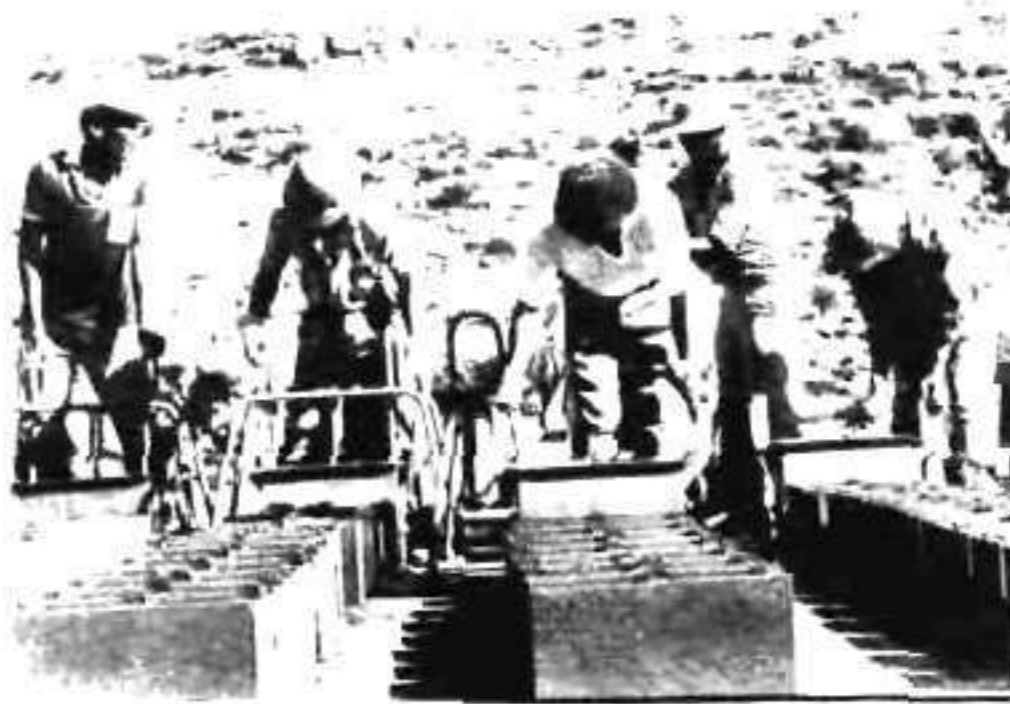
The workers have to draw up work rosters and co-ordinate the production process from start to finish. They must make sure the co-op always has enough stock of all the materials it needs.

They must monitor quality control, and make sure that production targets are met. They have to pay the accounts, balance the books, draw up budgets, and give financial reports. The vehicles must be serviced and maintained, and deliveries must be on time.

The co-op members also have to plan ahead, and set aside money each month so that they can afford to replace their machinery when it's old.



The Basotho Mineworkers Labour Co-operative has started a co-op producing cement blocks in Quthing



The co-op in Quthing is producing the high quality blocks needed in the community



Workers organise production democratically in the co-ops, but they still must meet their targets



Most co-operatives are small and while they can provide employment for some workers, they cannot solve the unemployment problem

They need a marketing strategy, to make sure they can sell what they produce. And there must always be enough money in the bank to buy all the materials needed to keep production going.

Any co-op member will tell you that it is hard to co-ordinate all the different processes in a co-op. It is a big responsibility. And sometimes it only takes one problem to bring production to a standstill.

A co-op in Zimbabwe gives a good example. This was a poultry co-op, selling eggs. For some time, everything went fine. But one day, the chickens got too old to lay any more eggs.

The co-op hadn't planned ahead, and they had used up all their money on wages. They couldn't afford to buy new chickens, and so the co-op collapsed.

Creating employment

When NUM started setting up co-ops, the most urgent aim was to provide jobs for the dismissed workers.

But production co-ops are not a simple solution to unemployment. Each co-op takes time to develop, and can only provide a limited number of jobs - because the bigger the co-op, the bigger the organisational difficulties in making it work.

So, although our co-ops are among the biggest in the country, they are still small when we take into account the number of workers who lost their jobs.

So we need to be realistic about the potential of co-ops to solve the problems of unemployment. They can provide some jobs; and over time, we should be able to build a stronger and stronger network of co-ops. But the resources we have available to set up co-ops are a drop in the ocean compared with the size of the unemployment problem.

No easy solutions

To solve this problem, we need to restructure the whole economy, and change its priorities; we need to be able to use the vast wealth being produced in the mines and factories. This will only be possible when the people of South Africa hold political power in their hands.

So, co-ops won't provide us with a quick and easy solution to the problems of unemployment.

At this stage of the development of co-ops in southern Africa, they will not be able to create jobs for all the workers dismissed during the 1987 strike, nor for the thousands more who are likely to face retrenchments in the coming year. This is a hard reality for workers who may have pinned their hopes on the co-ops.

We should try to create as many jobs as possible. But we need to look at other ways in which the dismissed workers can organise co-operatively.