

Are Worker Co-ops the Silver Bullet?

They can be a good alternative: worker co-op film producer

Thursday January 10, 2013 -- Michelle Strutzenberger

More people are looking to the worker co-operative model as a viable economic solution in a struggling mainstream economy.

As producer of a recent documentary on worker co-operatives, Melissa Young confirms this, noting both the uptake on the documentary and what her research showed.

But are worker co-operatives the silver bullet?

Worker co-ops can be a good alternative, Young says.

[Shift Change](http://shiftchange.org/) (<http://shiftchange.org/>), the documentary produced by Young with Mark Dworkin and Moving Images, provides a detail-rich picture of both the strengths and challenges of the worker co-operative model.

Mondragon, the world's oldest and most famous worker co-operative set in Basque Country in Spain, is at the centre of the film.

Started after the Spanish civil war when the country was facing extreme unemployment, the first Mondragon worker co-op was spearheaded by a visionary priest with a passion for social justice, Don José Maria Arizmendiarieta.

Today Mondragon is made up of 120 co-ops, each owned and managed by employees, does \$25 billion in annual revenues, employs 84,000 people and has been cited as a reason for its region having the lowest unemployment in Spain.

Shift Change highlights how the worker/owner model is key to the businesses focusing on company longevity, job creation and sustainability and staying local.

But, as interviews with Mondragon representatives and people from several worker co-operatives in the United States reveal, being part of that model isn't necessarily an easy task.

"It is an extra commitment to be a member," notes one U.S.-based worker co-operative worker/owner. As worker/owners, people wear two hats, complexifying decisions such as those



*Members of the Ohio Solar Co-operative, mentioned in the Shift Change documentary.
Photo courtesy of Ohio Solar Cooperative.*

about salary, for instance. As a worker, of course, one typically wants more, but as an owner one also has to deal with the ramifications of wage increase on one's peers and the company's financial wellbeing.

Conflict may also be more rampant in worker co-ops, with a greater number of owners contributing to decisions on an equal footing.

Still, worker co-operatives are on the rise especially in countries hit hard by the global economic crisis.

And the same people detailing the challenges of working/owning such an enterprise also speak highly of why they stay, what they like about them and what they see them offering not just the market but to society in general.

"It's a great place to learn how democracy works," several associates say in *Shift Change*.

"If we all participate in making a decision, it's easier to implement, because we made the decision democratically," says another. Even if one's own preference wasn't voted in, being part of the decision-making process builds understanding around how the decision was made and can make acquiescing less painful.

"The more people participating in running things, the more competitive we will be in the marketplace," is another benefit cited. This could be in part because "we put our energy towards our projects and products, not managing hierarchy."

But there's still the fact that the structure alone doesn't guarantee a focus on job creation, staying local and company longevity.

People talk about the "co-operative spirit" waning in some cases where the business has seen success. And worker co-operatives have not been immune to some of the consumerism and individualism infecting so much of society today.

So if the structure isn't the secret sauce, what is?

"We heard that it's exceedingly important that the founding documents and agreements and the initial training are really key factors to keep worker co-operatives locally focused, focused on maintaining jobs and so on," says Young.

Providing ongoing training and education was also cited as essential, she says, "especially in our North American culture that has put so much emphasis on individualism and competition. There is a lot of relearning to do to function well in a co-operative business."

Equal Exchange, a worker co-operative headquartered in Massachusetts, sets aside 10 per cent of everyone's time for ongoing education and development, both internal education and that provided externally.

The Ohio Employee Ownership Center argues strongly for the importance of education to help change the mentality and attitude of people in a worker/owner enterprise, especially if a business has converted from a traditional corporate structure to the co-op model.

“There are both external and internal challenges for co-operative businesses,” Young notes in conclusion.

“And so we try to present a fair and even-handed report based on how we honestly see them to be.”

“We think that this is a good alternative but not that it will save everybody and save the whole economy, and I think that it would be dishonest to leave out criticisms that have been raised about such enterprises,” she adds.

Her hope, she says, is for media and society in general to have a “civil and respectful discussion of the issue, in hopes that such a dialogue can “help us all and so that viewers can draw their own conclusions.”

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