The Garment Co-operative: An Experiment in Industrial Democracy and Business Creation

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THE GARMENT CO-OPERATIVE:
AN EXPERIMENT IN
INDUSTRIAL DEMOCRACY
AND
BUSINESS CREATION
by
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Co-operatives Research
Case Study No. 5

Co-operatives Research Unit
The Open University
THE GARMENT CO-OPERATIVE: AN EXPERIMENT IN
INDUSTRIAL DEMOCRACY AND BUSINESS CREATION

Chris Cornforth
February 1981
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Chris Cornforth
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1.0 INTRODUCTION

This paper presents a description and analysis of the formation and first two years of trading of a small workers' co-operative. The co-operative was set up to create jobs for some of those made redundant when a local hosiery factory closed down. It began in October 1977 with money provided through the Job Creation Programme of the Manpower Services Commission. The co-operative produced fashion garments.

The co-operative can be regarded as an experiment in business creation and as an experiment in common ownership and industrial democracy. The experience at the garment co-operative will be examined from these perspectives. The extent to which generalisations can be drawn from a single case is limited. However, it is hoped that this paper will be useful in two ways. For the practitioner who is interested in setting up similar schemes it will highlight both the potentials and the problems of this form of organisation. Secondly, for the researcher it is intended to be a source of working hypotheses to be further tested and elaborated.

The main data for this case study was gathered during an action research project, carried out by three members of the Open University's Co-operative Research Unit between January and May 1979. Further data on the history and subsequent state of the co-operative was gathered during interviews and observations carried out in June, July, August and November 1979.
The paper is divided into seven main sections. The second section describes the formation and history of the co-operative until November 1979, it focuses on the main events in management worker relations and the development of the business. The aim of this section is to provide an historical context against which industrial democracy within the organisation and its business problems can be analysed.

Section three describes and discusses the practice of democratic control within the co-operative. It examines the roles of management and the main decision making bodies.

Section four describes in more depth the worker members' responses to the co-operative. It discusses what they wanted from the co-operative, the meaning co-operation had for them and their experience of the costs and benefits of working in a co-operative. Finally some of the different social groupings that have emerged within the co-operative are described.

Section five presents some of the arguments for and against organisational democracy and common ownership. The experience from the garment co-operative is analysed in order to determine what evidence there is to support, refute or elaborate these arguments.
Section six analyses the problems that have faced the development of the co-operative as a business. Five main problem areas are discussed: capital, market, management skills, production skills and participation.

Section seven summarises the main findings from the case and the lessons that can be learnt from them.
2.0 A BRIEF HISTORY OF THE CO-OPERATIVE

2.1 Formation of the Co-operative

The co-operative is based in a medium sized industrial town. In 1976 (because of over capacity in the industry) a large hosiery factory decided to close down making several hundred workers redundant. In an area of declining traditional industries and above average unemployment the loss of jobs was significant.

The idea for the co-operative came from a local community worker who enlisted the support of two local councillors, Davis and Williams. A friend of Williams, one of his local party activists, had worked in the hosiery factory and she gathered a group of twelve women together interested in founding the co-operative.

Regular meetings to discuss the founding of the co-operative began in March 1977. Various potential products were considered but were abandoned because of unreliable markets or because of the amount of capital investment required. Eventually it was decided to enter the 'cut, make and trim' business, which consists of making up garments for customers who supply the material and designs.
A feasibility study was carried out for the group by a member of Industrial Common Ownership Finance (ICOF)*. On this basis an application for Job Creation Programme funding was made to the Manpower Services Commission. The funding requested was for one year and was to cover the cost of wages with a small contribution to overheads. It was projected that the co-operative would employ a manager, two supervisors and twenty production workers.

When it became clear in the late Summer of 1977 that the project was to be funded the women asked one of the councillors, Williams, if he would become their manager. He agreed, giving up a low level management position with a large company. Williams managed to find a suitable factory and the first workers moved there in the October of that year.

*This is a small organisation set up to provide finance for common ownership companies. At the present time a large proportion of its money comes from the Government under the Industrial Common Ownership Act.
2.2  **Formal structure**

The co-operative was set up using the Industrial Common Ownership Movement's Model Rules (1977). Under these rules control is vested in members of the co-operative on the basis of one man, one vote, and membership is restricted to those that work in the co-operative. The General Meeting of all members is the highest authority within the co-operative. The rules also stipulate that there should be a Management Committee with a Chairman, Treasurer and Secretary, and that it should have more than three but less than nineteen members. Importantly members do not have rights to dispose of the assets of the co-operative for their own personal gain.

Under MSC regulations the co-operative also had to have an Advisory Group, who sponsored the funding application. This included Davis and six other local professional people. The MSC application also made provision for a manager and two supervisors.

No formal attempt was made to distinguish between the roles of these different management bodies before the co-operative was established.
2.3 Early days

Twelve women, eight of them from the original group, and the manager started in the factory. The early days were hectic and exciting. The factory had to be furnished and the women clubbed together and bought the basic furniture that they needed. Machinery was acquired by the manager and supervisor on hire purchase and the manager made a deal with a cutter* to work part-time in the factory.

The first order was secured from a wholesaler for manufacturing women's blouses. However, when it came to production the women had little experience of garment assembly. Their first order was returned because of poor quality.

The co-operative decided to employ more experienced machinists. Three machinists were soon employed; with their help and particularly that of the cutter the women began to learn their jobs. Production was low and quality was erratic but nevertheless garments were being produced. Feelings of solidarity and pulling together were high amongst the women. Voluntary overtime was worked to ensure orders went out on time.

*The cutter has an important and skilled job. He cuts the material to the customer's pattern so that it is ready for sewing together.
2.4 Conflict with the manager

Management in the co-operative was carried out by the manager and by General Meetings of members which were held weekly. As the Winter progressed the two came increasingly into conflict. Initially the members were critical of the manager for acting without consulting them, as he had for instance over the hire purchase of machinery. Later they became critical of the job he was doing and his authoritarian manner. For his part he was critical of them for their low levels of production, and tried to pressure them to produce more.

The conflict came to a head when it was discovered that the manager had diverted work from the factory to another co-operative. After a fierce argument he threatened to close the factory. That week-end he sent all the work to the other co-operative. The following Monday the workers arrived to find the factory locked and, when they did get in, that the work was gone. Davis was called and he assured them that it was not within the manager's power to do this. Arrangements were made for the work to be recovered.

When tempers cooled the members agreed to ask Williams to return as manager. He agreed initially, but resigned shortly afterwards, after further arguments, saying he could not work with the women.
The supervisor, his party activist and friend, decided to leave shortly afterwards. This was in February of 1978; the co-operative was five months old and had withstood its first crisis.

2.5 Muddling through

Until this time the Advisory Group had not met. Williams had previously resisted a meeting being called by Davis, arguing that he wanted to get the problems of poor performance and the accounts sorted out first, particularly as the co-operative's bank manager was on the Advisory Group.

After Williams left, a meeting of the Advisory Group was called to discuss the co-operative's problems. As a result of their failure to meet previously they decided to meet regularly on a monthly basis and that the meetings should be open to all members of the co-operative. They decided that their role should be to: offer professional advice to the co-operative; act as a 'watch dog' on the co-operative's performance and meet quickly to offer advice in the event of any further crisis. In terms of the immediate problem they advised the members that they should advertise for a new manager and the bank manager insisted that an acquaintance of his, Mr. Bough, should be brought in to straighten out the accounts and to advise on financial matters.
Mr. Bough was only with the co-operative for two months before he was asked to leave. According to Davis he had no understanding of working co-operatively and his presence in the co-operative only led to increased conflict. The General Meetings' minutes also questioned his ability to sort out the co-operative's books.

During the period without a manager two of the founder members took on effective leadership, including the responsibility for obtaining orders from, and negotiating with, customers. One of them, Jean, became acting supervisor. During this period any decisions of consequence were discussed and decided upon in General Meetings.

This was a period of muddling through. Production was low because of lack of skill and poor organisation, but work was completed and the co-operative's customers were retained. An office clerk was employed and some outside assistance was given with bookkeeping, by the accountant from another local co-operative.

In May, six applicants were interviewed for the post of Manager by members of the co-operative and representatives of the Advisory Group. The Advisory Group thought only one candidate was suitable but she declined the offer. Against the advice of the Advisory Group the members decided to appoint a man with some managerial experience (but none in the garment industry) rather than have no manager.
According to members the second manager proved totally ineffectual. He seldom came on to the shop floor and made no improvements to production. He was frequently away from the co-operative which aroused suspicion. His understanding of the financial, management and accounting procedures was said to have been poor. He resigned in August 1978 after being criticised for misinforming members about the size of the co-operative's overdraft. Davis believed he was only using the co-operative as a stop gap between jobs.

2.6 The business starts to take shape

Before the second manager left two other important appointments were made. Both new workers were approached by members who knew them. One was a skilled cutter, the second, Mrs. Prior, had been an experienced and respected supervisor with another large garment manufacturer in the town. She agreed to join the co-operative for a few months to try to help them sort out their problems.

Gradually, under Mrs. Prior's supervision production and general organisation within the factory began to improve. From levels of two to three hundred garments a week they began to achieve targets of six hundred garments. This was achieved in a variety of ways. She improved the organisation of production, she showed people how to do new styles and encouraged greater discipline.
Her task was also to produce sample garments which were the basis for new orders. This brought her into contact with customers and she also took over the role of sales person. Mrs. Prior also sought help from outside sources. Our intervention was a direct result of this.

On this basis of improved production an application for another year's funding was organised by Davis and submitted to the MSC in October, the month the first grant ended. There was a period of three months before a final agreement was reached with the MSC to fund the co-operative for another year. During this time workers shared as pay the value of work finished each week, representing as much as a 50% drop in wages. A number of employees asked to be laid off as they found the drop in wages unacceptable. The co-operative took this opportunity to make a rule that after a probationary period a person would have to become a member of the co-operative or leave. Previously there had been some conflict with non-members who it was felt were not committed enough to the enterprise.

The new MSC agreement was signed at the end of February 1979. Its continuation was dependent on the co-operative achieving production levels of 800 garments per week, a figure which was supposed to be a realistic target if the co-operative was to become viable.
Our action research project with the co-operative began in January 1979 and an average of between one and two man days per week were spent on the project until Easter 1979. The action aim of the project was to help the co-operative in three ways: to examine ways of improving production levels, to prepare an information and accounting system that would provide members with an over-view of the performance of the co-operative, and to examine the co-operative's market opportunities, in particular the feasibility of it making and selling its own garments. In actuality many other small tasks were taken on by the team.

The main results of the intervention were threefold. The accounting and information systems were adopted by a new and competent office worker, a friend of Mrs. Prior. This gave members a clear picture of the magnitude of the problem facing them. It showed them that they were only producing two thirds of the amount of garments necessary to be viable at current wage levels. Secondly, various changes were made to production lines, with some small success. However, as a result of this process the co-operative decided to adopt group methods of working which have led to increased flexibility and job satisfaction. Thirdly, after consideration of various business scenarios for their own future the members decided their first objective should be to become efficient at cut, make and trim, and only after this would they attempt to produce their own label products.
In interviews we conducted in March 1979 the overwhelming majority of members were sure that the co-operative needed a manager (who would be supported by the MSC grant). The main things they wanted the manager to do, were to get work and to supervise the shop floor.

The third manager was selected from three candidates and started at the end of May. He was chosen because he had experience in the industry as a quality control manager (some of the women had actually worked with him) and because he was thought to be the most sympathetic to co-operative ideals. His arrival coincided with our departure. It was hoped that the manager would take over where we had left off.

The manager saw his role as improving production within the co-operative and finding new customers who would pay more for their work. He thought this strategy would be sufficient to make the co-operative viable. His arrival led to a general increase in morale and he was claimed to be the best manager they had had. In particular the fact that he would work on the 'shop floor' was appreciated.

However, a couple of months after his arrival, morale was a lot lower, as production levels had not improved significantly.
In the October MSC funding came to an end. Because of the funding the co-operative had a healthy bank balance; however, they were still only earning about two thirds of their costs. It was decided to take a 20% cut in wages, and if a profit was made to pay this back in a bonus. There was a certain amount of friction because of wage differentials. A minority argued that now the co-operative was standing on its own feet everyone should be paid the same.

When interviewed in the November many workers were critical of the manager. They argued he had not improved production, brought in any new orders or pursued the possibility of the co-operative making its own products. However, these issues did not appear to be discussed at meetings of the co-operative.
3.0 DEMOCRATIC CONTROL IN PRACTICE: THE ROLES OF THE DECISION MAKING BODIES AND MANAGEMENT

In the previous section the formal structure of the co-operative was briefly described. We will now examine in more detail how this structure worked in practice, by examining the roles of the various decision making bodies and that of management.

Formally the vehicles for democratic control under ICOM rules are the general meeting of all members of the co-operative and an elected management committee. In practice no management committee was set up in the co-operative for the first two years, and one was only set up then at our recommendation. The main decision-making body was the General Meeting. However, the Advisory Group meetings were open to all members, and were a forum for discussion and shaping decisions.

3.1 The Advisory Group

The Advisory Group did not meet until after the first manager left. It consisted of Davis, the co-operative's bank manager, an insurance broker, a solicitor, one of the women's old shop stewards from the hosiery factory, a member of ICOF and a community worker. Later a member of another local co-operative
was co-opted into the group. At its first meeting the Advisory Group discussed its own structure and role. It was decided that it should have a rotating chairman. Davis was to be acting secretary until one of the members could be trained for the position. Members of the co-operative were to be free to attend and would be asked to provide certain agreed information for the group. The group decided its main role would be to:

(a) offer professional advice
(b) be a 'watchdog' on the performance of the co-operative
(c) meet quickly and act in the event of emergencies

Meetings took place at monthly intervals in the evening shortly after work finished at the co-operative. The agenda was compiled by Davis (who still acts as secretary) in consultation with members of the co-operative. Attendance by members varied; some found it difficult to attend because of family commitments and others because of transport problems. At meetings we attended about two thirds of the members were present at the beginning of meetings but this number usually declined as the meeting progressed.
Any issues which were perceived as important by members or the Advisory Group were likely to be raised at meetings, for instance: production levels, MSC funding, wage levels, and future plans for the co-operative. The Advisory Group acted as a forum for discussion and as a channel for outside advice. Its status as a decision making body in the co-operative was unclear. Formally it was not a decision making body, but this was not always the case in practice. On one occasion, Davis expressed concern when agreements reached at Advisory Group meetings were overturned by a General Meeting of the co-operative. This concern was also expressed by some members of the co-operative who thought the decision had already been made.

Occasionally the group acted as a link between the co-operative and outside 'experts' who it felt might help the co-operative with its management functions. The group did not, itself, take an active role in helping the co-operative with its day to day running. Davis was the most active member. He helped with funding applications and was 'always' available to give advice or moral support. However his interventions were limited. His philosophy was that one should not interfere too much in the workings of the co-operative and that it must learn to stand on its own feet.
Members of the co-operative often did not value the work of Advisory Group highly, apart from the individual efforts of Davis. They found its advice limited and that it did not help them directly with many of their business and organizational problems. It is difficult to see how members of the committee could have tackled these problems without being more closely involved with the co-operative. The person the committee might have helped most was the manager. Yet it appeared that managers were likely to regard the committee with some suspicion. It could easily be seen by them as a supervisory body. For instance the first manager did not want the Advisory Group to meet because he did not want to show them particularly the bank manager, the co-operative's poor record.

We felt the value of the Advisory Group was higher than members perceived. It was important in three ways:-

(a) as a source of outside expertise and a link to other resources and expertise in the outside world
(b) as another less intense forum for discussion
(c) as a source of moral support.

Equally, it seemed clear that the Advisory Group could not substitute for a manager providing day to day management within the co-operative. This has also been the experience in another co-operative that was established under MSC funding (Rhoades 1980).
3.2 The General Meeting

Formally the General Meeting is the ultimate authority within a co-operative. However in practice the role of General Meetings can vary substantially between co-operatives. At one extreme its only role might be to elect the directors of the co-operative, at the other extreme it might be the main forum for all decision making within the co-operative.

Since its formation the co-operative held regular General Meetings and members played an active part in decision making. Although we had no direct experience of early meetings in the co-operative, members' accounts and the disputes with management bear witness to this.

The history of the co-operative shows that the workers, through the General Meetings were prepared to exercise some control over management. The case of the first manager demonstrates that the group were prepared to overrule his decisions when they felt he was not acting in their own interest. The case of the second manager demonstrates that the group were prepared to judge the competence of and criticise the manager.
During the period of our research in the co-operative the General Meeting was the main forum for disseminating information and making decisions. As well as the weekly General Meeting, informal General Meetings were likely to be called at any time. Dinner or tea breaks were often used to discuss matters of importance that had arisen.

Mrs. Prior was supervisor and acting manager at this time. In this capacity she often took a leading role in meetings. However, she did not dominate the discussion. The norm was that anyone was free to raise or discuss issues and readily did so. When interviewed members expressed clearly that they felt free to have a say in decision making. No viewpoint, including that of Mrs. Prior, was immune from criticism. In fact as in the past, there was tension stemming from the question of what were the legitimate roles of the General Meeting and the manager. For instance Mrs. Prior objected on one occasion when decisions were taken in her absence, and asked that while she was acting manager decisions should only be made when she was at meetings. Conversely some members disliked Mrs. Prior having, what they saw as, a special privilege. This group were also reluctant to acknowledge Mrs. Prior as acting manager.
The third manager reduced the number of meetings in the co-operative. Weekly General Meetings were still held, but he reduced the number of informal meetings and restricted their use to just disseminating information. However an agenda sheet for the weekly meeting was hung in the canteen and all members were able to contribute items.

3.3 The Management and Membership Committees

Prior to the third manager joining the co-operative we suggested that the co-operative might change its structure in two ways. Firstly we recommended that the Management Committee consisting of the manager and three elected representatives be established. The aim was that the Management Committee should make day to day decisions within policy guidelines established at General Meetings. Secondly, that a Membership Committee of three be elected. This committee was to act as a channel for airing members' grievances and a place where members could take personal problems if they desired. It was also to monitor and arbitrate in matters concerning the co-operative's loanstock scheme.

According to the manager the Management Committee met frequently in the early days at the elected members' instigation. It was used by members to substitute for their informal General Meetings. The manager felt that this was time consuming and discouraged the committee meeting; it then met irregularly at his instigation.
The Membership Committee did not meet formally but individuals on it took complaints to the manager on behalf of the workers.

3.4 The role of management

The history of the co-operative suggests that all the managers had difficulty in adjusting to their new role in the co-operative. The difficulties can be grouped into two main types around the issues of small business expertise and management control.

All the managers the co-operative employed were used to working in lower management positions in larger companies, and only one manager had specific experience of the clothing industry. Management in a small business demands different skills, the manager needs to be a jack of all trades. The manager in the co-operative needed to be able to co-ordinate and control production, get customers, undertake financial planning and accounting, and supervise the workforce. None of the managers had all these skills, crucially none had a very good knowledge of the market or experience of production control.

The managers' problems in this respect were also aggravated by the workers limited understanding of management. Workers tended to judge managers by their performance on the shop floor and were often suspicious if the manager was away from the factory for any period of time. Whether or not their suspicions had foundations their criticisms probably constrained the managers in their marketing work.
All the managers experienced problems regarding the extent of their authority within the co-operative. This is supported by the various conflicts that arose over decisions taken by management. The norm that appeared to have developed amongst workers was that management could take routine decisions but that important or new decisions should be decided at General Meetings.

However, there were few formal guidelines for a new manager and consequently they had to learn what was expected of them through experience. This presented a number of opportunities for conflict and misunderstanding. Information from interviews that we conducted with the workers give some idea how this might have happened.

Members found it difficult to express clearly the functions and responsibilities a manager should undertake. Yet when presented with a direct question such as, 'Should the manager be able to dismiss a worker?', the responses were clear. In a similar way members' views about the manager's role were often expressed through critical reactions to his or her actions.
A further difficulty that was faced by management was when members disagreed on their role. The question of supervision and discipline illustrates this point well. In a conventional company it is a task of management to ensure through supervision and discipline that the workforce is working adequately. Members of the co-operative differed in their attitudes to this task of management. Some members enjoyed the fact that there was less direct supervision in the co-operative. Others felt that there was a need for greater supervision and discipline to improve performance. In this situation which ever way management acted they were likely to be criticised. This conflict was clearly internalised by Mrs. Prior who felt that the members should discipline themselves, but would try to impose discipline when this did not happen, although she disliked the criticism that sometimes ensued.
4.0 WORKER MEMBERS OF THE CO-OPERATIVE: THEIR OBJECTIVES, ATTITUDES AND EXPERIENCES

The focus in this section is on the worker members in the co-operative. The main aim is to provide some insight into what these members wanted from working in the co-operative, and how they experienced working there. In this context we will examine:

(i) members' objectives with regard to the co-operative;
(ii) members' attitudes towards co-operation;
(iii) the costs and benefits they perceived from working in the co-operative.

Finally we will discuss social relations and the main social groupings that emerged within the co-operative. These groupings were distinguished by different attitudes towards co-operation. In particular we will examine the differences between founder and newer members of the co-operative.

In order to provide a context for these issues we will begin by briefly describing the typical background of members.
4.1 Background of members

All workers in the co-operative apart from the cutter and manager were women. Their ages ranged from the late teens to the 50's, with the average age being about 35 years. When the bulk of this research was conducted there were 22 workers in the co-operative, the majority of whom had worked there for more than a year.

Most of the workers were from working class backgrounds. Most were employed in the garment or hosiery industry before joining the co-operative. None of them had any previous experience of management or any business training, excluding the office worker who had recently joined the co-operative and the supervisor.

4.2 Members' objectives

One theme that was explored during the action research project was the question of what members wanted from the co-operative. Each member was asked to indicate the five most important things they wanted from the co-operative from a list of sixteen possibilities. The results of this exercise are shown in Appendix I. Below is a list of items that were chosen by six or more members, they are listed in order of importance:—
(a) a secure job
(b) to produce good quality work and to have a pride in work
(c) to provide more people with work in the future
(d) to make their own product
(e) to provide good working conditions
(f) to be able to have a say and participate
(g) interesting and varied work
(h) be your own boss and not line someone else's pocket
(i) a good basic wage

In the main this ranking appears to be supported by members' actions. However, job security was not, it would seem, an end in itself, but was seen within the context of the co-operative succeeding. The aim was to get the co-operative onto a sound commercial footing. Only a few members left the co-operative explicitly to find more secure jobs. The co-operative expanded to create new jobs, and members wanted it to expand further. A major aim was to provide more jobs in an area of high unemployment. Members attempted to produce their own products on a number of occasions and sold them at local markets. However, they lacked the management expertise, capital and some of the technical skills to develop this side of the business. Some concern was shown for working conditions and members established their own canteen facilities. If anything, the value placed on having a say in
decision making may be too low in the ranking given the active way in which it was pursued. One possible interpretation of its lower ranking is that it was seen as a means to an end rather than an end in itself. The relatively low ranking of wages is consistent. Members were prepared to take a cut in wages on two occasions in order to keep the co-operative going. It is less clear that producing good quality work was such a high objective. It was often expressed as a goal by members but it is not clear that they took positive steps to improve quality. For instance they did not actively pursue any industrial training scheme.

These objectives are interesting from a number of points of view. They show up as a fallacy the common assumption that all workers are interested in is money. Clearly the achievement of building their own enterprise and providing a decent working environment was as important, if not more so, to members. Critics of producer co-operatives have also suggested that such enterprises are likely to be run for selfish benefit rather than the good of the community. Obviously there was self interest underlying the objectives of members of the co-operative as within any organisation. The question must be one of balance. There was no evidence to suggest that the co-operative was more self interested than the usual business. On the contrary it hoped to benefit the community by expanding to provide further employment for those in the area.*

*It is likely that there would also be commercial benefits if the co-operative were to expand, however, this did not appear to be the chief motivation of members.
4.3 Attitudes towards co-operation

When interviewed most members said they did not really know what a co-operative was until they came to work there. One member suggested:

"You can't think of a co-op unless you're in it, I didn't come here for the co-op, I came for the job."

Their only prior experience of a co-operative had been shopping in the co-operative stores. Yet all agreed that the co-operative was different from other places in which they had worked. There was also some consensus over what a co-operative should be, for instance:-

"A co-operative should be everyone mucking in."
"A co-operative should help one another and help the country."
"A co-operative should be working together, but trying to create employment for others."
"A co-op should be one big family all working together making money for the co-op."

The theme that emerges is that of a family, working together, helping and caring for one another. This ideal was commonly held although not always lived up to.
In practice co-operation was also equated with the right to have a say in decision making. General Meetings were frequently held and managers were, on occasion, heavily criticised for taking decisions without consultation. However, the importance attached to participation varied between individuals: for instance, one worker felt that attendance at General Meetings should have been higher.

"A co-op should be like this only a bit more caring, like staying to meetings, I think everyone should be at General Meetings, it's important."

Other ideals of co-operation were more contentious. Some of the original members believed that everyone in the co-operative was equal and should therefore be paid the same. In the early days of the co-operative two members, a supervisor and a quality controller refused to take higher wages than the rest of the workforce although under the funding from the MSC they were entitled to do so. On the other hand the various managers, the cutter and Mrs. Prior accepted their respective rates from the MSC. Conflict over differentials did not become important until MSC funding ended and a cut in pay had to be taken. At this time some founder members proposed that differentials should be abandoned. After some debate the majority thought this was unfair and voted that the cut should be made on a percentage basis maintaining differentials.
It is important to recognise that there is no one interpretation of co-operation, and that different interpretations can lead to misunderstanding and conflict.

4.4 Perceived costs and benefits of working in the Co-operative

Proponents of worker co-operatives have argued that they are a means of increasing the quality of working life of workers, giving them some control over their jobs, and improving job satisfaction. Previous research in co-operatives has shown that the relationship between co-operation and job satisfaction is not straightforward (see Paton 1979), and that working in a co-operative can have both costs and benefits. Experience in the garment co-operative bears witness to this. Below are described firstly some of the benefits members perceived they gained from working in the co-operative and secondly some of the costs. These give an insight into the members' motivations for working in the co-operative and also into some of the problems and frustrations.

Most members experienced work as just as hard, if not harder, in the co-operative compared with other companies they had worked in; however, this was commonly less resented because: "We are working for ourselves." Working for themselves gave some a new sense of importance and achievement. It distinguished them from their friends, they were doing something different and exciting.
The atmosphere in the co-operative was felt to be nicer than a conventional firm; the small size of the group made it more intimate, people were friendly and were given individual consideration, there was not the competitive atmosphere experienced in some companies.

"I've never worked anywhere where there is so much co-operation."

"There's more sense of belonging working with a small group instead of just being a number."

"You can get to feel personally for people you work with, it's not so big that you don't know what's going on."

Of equal importance was the feeling that there was no one superior watching over you as in other factories.

"The best thing is that no one is over you telling you what to do."

Some workers enjoyed being more aware of the total production process and the running of the company and the new opportunity to learn that this gave them. However, owning their business also brought responsibility with it, and for a group that did not have the training to handle all the problems that this presented, responsibility was often a burden. Many workers commented on the greater pressures on them:
"Here we don't forget work at the end of the day - the pressures are great."

In this respect the co-operative did not compare favourably with experience of work in other factories:

"It's on your mind all the time, in other factories you clock in. It was a job then and after work you could relax."

This burden of responsibility was more strongly expressed by those who had been with the co-operative longer. Particularly in the early days unpaid overtime was often worked to meet production deadlines.

Tensions were also created because they were responsible to each other for their work. Levels of production were always a matter of concern within the co-operative. Some members felt that others did not work hard enough. One of the original members felt that she worked hard but said that some people "dawdle - it really dogs me. Someone says 'I'm tired' and I could scream my head off." This situation was aggravated by the fact that no adequate production control system had been developed. This conflict was often suppressed, one member argued that their common history and the group solidarity made it difficult to express criticism of someone else's performance. This was seen as a role for management.
The feelings of responsibility and solidarity also imposed additional costs. A number of members expressed feelings of guilt when they were absent from work, even for legitimate reasons, and that work had to be put before the family:

"I had to have three months off work with my husband (who was ill), I felt guilty about it, in a conventional firm I wouldn't."

Another cost was the increased levels of conflict. Because major decisions were taken by all members the potential for disagreement and conflict was great. One member said:

"There are always arguments, more here than in other places. We've had a lot of serious quarrels - terrible murderous rows, some people have left, maybe because of the conflict, some left because they wouldn't join us."

However, arguments were not always viewed as a cost, the same person went on to say:

"It's not harmful, it's healthier, we've had big rows then laughed all afternoon."
Experience in other co-operatives (Paton 1976b) suggests that such conflict is common in co-operatives and that there is a need for co-operatives to develop procedures to allow conflict to be dealt with constructively.

These experiences suggest two hypotheses that could fruitfully be explored in further research. The first is an elaboration of the participation job satisfaction hypothesis. The data suggests that worker ownership and participation are likely to be viewed as having both costs and benefits which need to be taken into account in assessing the level of job satisfaction. The main benefits arose from feelings of ownership, solidarity and involvement, the main costs arose from the responsibilities of running a business and the various interpersonal conflicts that occurred. Any overall measure of job satisfaction would also obscure the fact that life in the co-operative was more intense than usual factory life, both the costs and the benefits were greater than usually experienced. The second hypothesis is, contrary to the view commonly expressed, that participation will lead to an increase in interpersonal conflict. This hypothesis is discussed in more detail in section 5.5.
4.5 Social relations and groupings within the Co-operative

According to members the social relations within the co-operative were more intense than the usual relationships at work. This was undoubtedly due, in part, to the small and intimate nature of the co-operative and their factory. However, it was also partly due to their new roles as owners and decision makers within the co-operative.

Social relations were characterised by both increased friendliness and conflict. On the one hand members talked of greater friendship, helpfulness, and the feeling of pulling together in the factory. On the other hand they talked of frustration with other members when they felt they were not working hard enough, and of arguments over a variety of issues.

There was also a tendency for divisions within the group to occur. A major division, which appears to occur commonly in co-operatives, is the division between founder members and other newer members. Lockett (1978) describes how new members to Fakenham Enterprises, a co-operative established after a sit-in following the closure of a shoe factory, were less committed to the ideals of co-operation than the founder members which led to a rift between the two groups. At the garment co-operative there appeared to be the seeds of a similar division, although the causes of the division were less clear.
The groupings in the garment co-operative were evident in the seating arrangements during tea break and lunch breaks. One group predominantly contained the founder members. This was identified as the 'original' group. The second group was the 'new' group, although many of them had been in the factory since shortly after it opened. The two groups held different attitudes towards co-operation and management. Both groups were strongly committed to making the co-operative a success, although the original group felt the greatest sense of ownership of the project. Some of the original group were sceptical of the need for a manager, whereas the new group felt that a skilled manager was vital if the co-operative was to succeed. Generally the original group were more critical of management, and they were reluctant to accord Mrs. Prior the status of acting manager in the period between managers. The original group were also against differentials within the co-operative, whereas the new group felt that people should be paid according to the job they did and that reasonable differentials were alright.
Occasionally people would be employed in the co-operative who did not become committed to it, and did not want to become members. These people usually left after a short while for better paid or more secure jobs. Towards the end of the first year of operation there was some friction between members and non-members over commitment to the co-operative. When the first MSC grant finished these employees were reluctant to take a drop in wages necessary to keep the co-operative going. Because of this they were asked to leave and it was decided to introduce a members only policy. From that time workers who did not want to become members after a probationary period were asked to leave the co-operative.
5.0 SOME IMPACTS OF INDUSTRIAL DEMOCRACY AND COMMON OWNERSHIP

The issues of industrial democracy and common ownership have been at the centre of many debates in recent years. Numerous arguments have been put forward for and against increased worker participation and common ownership. In this section we will examine what light the experience from the garment co-operative has to throw on to some of these arguments.

5.1 Desire and ability to participate

Critics of worker participation in high level management decision making have argued that workers will not be willing to get involved in decision making.

Evidence from the Garment Co-operative would suggest that, at least in small businesses, workers are prepared to become involved in management decision making. The General Meeting was regarded as the only legitimate place for important decisions to be made. However it is likely that the particular history of the co-operative was important in the development and legitimation of this high involvement. Consequently there may be different findings in co-operatives with different origins.
Lockett (1978) has suggested that the early days in the formation of a co-operative that stems from redundancy are important in the development of democratic norms. Reporting on Fakenham Enterprises, which was set up as a co-operative after a workers' occupation of the premises, he suggests:

"Out of this struggle comes a high degree of collective solidarity and commitment to involvement in decision making. In addition the period in which there is relatively little pressure of work between redundancy and the formation of the co-operative allows a high degree of discussion and sharing of information."

Although the garment co-operative did not result from a workers' occupation some of the original members were involved in the planning and decision making concerning the formation of the co-operative. It is likely that during this period expectations of democratic control were raised and experience of collective decision making was gained. Also the co-operative was designed to provide this group of workers with jobs which led to a strong sense of ownership of the project. This sense of ownership legitimated an involvement in decision making.
A knowledge of, and sound belief in, collective decision making was passed on to new workers through a process of socialisation. All new members were allowed to attend General and Advisory Group Meetings of the co-operative and to have their say with everyone else. Officially they were not allowed to vote on issues, however, this rule did not appear to be applied in practice. In this way the expectation for and the practice of democratic control was transmitted to the new members.

The small size and intimate nature of the co-operative were important factors in enabling the institution of collective decision making to flourish. The small number of members and their physical proximity within one building meant that meetings were manageable and could be held regularly. The open plan factory meant that it was impossible for anything to happen without everyone knowing, which increased the members' sense of involvement and desire to participate in decision making. Also the members' experience of the first two managers in the co-operative lessened the status of management and reinforced the desire for member control.

5.2 The impact on decision making

Critics of industrial democracy have argued that increased democratic control will have an adverse effect on decision making, reducing the quality of business decisions and increasing
the time and expenditure required to make decisions. These and other observed impacts on decision making concerning the stability of decisions and the executive function of carrying out decisions will be discussed below.

The quality of business and organisational decisions is dependent on the skills within the organisation, as well as the form decision making takes. In our opinion the absence of certain managerial skills in the co-operative had more of a detrimental impact on the quality of business decisions than the form of decision making itself. However, this does assume that management expertise would have been taken into account in the collective decision making process.

Collective decision making is time consuming. On average one or two hours a week were spent in General Meetings in the co-operative, although attempts were made to reduce the production time lost by holding informal meetings during dinner or tea breaks. However, there may be other detrimental impacts on production. When controversial issues were discussed at meetings and emotions ran high it was often difficult for the members to settle back down to work afterwards. This sometimes resulted in poor production for a whole afternoon.
Another problem with collective decision making in the co-operative was that it tended to be unstable. A decision would be taken at one meeting and then reversed at a subsequent meeting. This appeared to happen for two reasons. Sometimes if someone was away when a decision was made, and they disagreed with the decision, then they would re-open the issue at the next meeting. At other times, because meetings were not always conducive to lengthy or informal discussions, members would continue to debate matters after the meeting and subsequently change their minds.

Decisions not only have to be taken, they have to be carried out, monitored and possible changed. Evidence from the Garment Co-operative suggests that this executive function of decision making can often get overlooked. In our role as advisors we often found that issues were decided at the General Meeting, but then no one would take on the responsibility to carry the decision out. We found that we had to get the group to decide who would perform the task and how. Also we found it necessary to help them define procedures for checking that decisions were carried out and for monitoring results.

It is unlikely that such problems are insurmountable but they do demonstrate the need for an understanding of good meeting practice among members of co-operatives. A research project is currently being undertaken at the Co-operatives Research Unit to identify ways in which meetings can be improved.
5.3 Commitment, productivity and motivation

As well as the arguments that say increased worker participation in decision making will have a detrimental impact on the performance of the company, there are arguments to the contrary. These usually argue that if workers have a greater stake in their company and a greater say in how it is run they will be more committed to its success. This increased commitment and motivation it is argued will mean that workers require less supervision and that they will work harder, thus leading to an increase in productivity and efficiency for the company.

Undoubtedly many of the workers in the garment co-operative were highly committed to its success. They were prepared to take reduced wages in order that the co-operative would survive. However, although the ability to survive hard times might have been increase, it would be difficult to argue that greater commitment led to greater productivity. As Chaplin (1978) has concluded from his study of Kirby Manufacturing and Engineering Ltd.:

"Greater commitment does not necessarily lead to better work methods and higher productivity unless linked to the application of technical and organisational skills."

Many of these technical and organisational skills were lacking in the co-operative and consequently it did not fully capitalize on the greater commitment.
5.4 Work organisation

It has been speculated that involvement with participation at one level of an organisation will lead to participation at other levels. In this respect it is interesting to examine whether high level participation affected work organisation in the co-operative.

When we first became involved with the co-operative, work was organised around one production line. The supervision and co-ordination of work was done by Mrs. Prior. In most respects it was similar to a conventional factory except that supervision was less intensive. This implies that involvement in high level decision making will not necessarily lead to different methods of work organisation. This is probably because people are often not aware of other models of organisation they could apply. Most members' previous experience of work was limited to working on a production line.

As it happened this mode of production was unsuitable for the co-operative because it was not flexible enough to deal with the small runs of garments which were normally ordered. After some experimentation initiated by the research team a method of group working was adopted, where each group was responsible for completing the whole garment. This method of working, as well as being superior from a technical perspective, was regarded as a great improvement by the workforce.
5.5. Reducing industrial conflict

It has been argued by commentators from the right and middle ground of British politics that the implementation of co-operative principles will reconcile the differences between management and workers and lead to a reduction in industrial conflict. Evidence from the garment co-operative and other co-operatives (Paton 1976b) suggests that conflict is not likely to decrease in co-operatives, in fact it may often increase. However, it is likely to take a different form from that in conventional company.

In a conventional company much direct conflict between management and workers is likely to be suppressed because of unequal power differences or dealt with through union channels. In the garment co-operative conflict between management and members was often directly expressed. The potential for conflict was also increased because of the wide range of issues open to participative decision making. On the other hand, because members felt that the co-operative was theirs, they saw little point in joining a union. It must also be extremely doubtful whether members would ever resort to strike action, given their power over management and sense of ownership of the co-operative.
5.6 The promotion of workers' interests and self-management

The potential of co-operatives has been a matter of debate in the politics of the left. Some see co-operatives as a means of pursuing workers' interests by reducing the priorities of capital, and through increased self-management. Others argue that co-operatives will lead to workers adopting capitalist aspirations, that democracy will not be maintained, and that they will lead to a weakening of the role of the unions and consequently of the wider struggles of the working class.

Experience from the garment co-operative falls some way between these extreme views.

There was little evidence to suggest that members had adopted the profit motive. The main objective of the members was to provide secure jobs for themselves and others in the community, and good working conditions. On the other hand most members felt that a union was not necessary within the co-operative as they were working for themselves. Consequently wider issues of the labour movement were likely to be ignored.

The issue of self-management is more complex. The co-operative managed to sustain a high level of direct democracy in decision making. However, it could be argued that this was at a cost.
The co-operative found it extremely difficult to attract the management expertise to make the business a success, and consequently the members suffered financially.
6.0 SOME PROBLEMS FACING THE DEVELOPMENT OF THE CO-OPERATIVE

In this section we will identify and analyse some of the problems that have faced the garment co-operative and hindered it in its attempt to become a viable business. These problems are many and inter-related, however, five main problem areas can be distinguished. They are: capital, the market, management skills, production skills and participation.

6.1 Capital

In comparison with some co-operatives the garment co-operative was quite fortunate in obtaining capital. For the first two years wages and some overhead costs were paid for by MSC funding and during this time it managed to accumulate a surplus in the bank. It was also able to purchase most of its machinery. Nevertheless it should be noted that it was only during the second year of operation that the surplus accumulated began to be significant.

However, this form of funding does have disadvantages. Wages are paid by the MSC and therefore are not related to the performance of the business (unless workers voluntarily return wages to the co-operative through a loanstock, or other comparable scheme). This can lead to a sense of unreality, a lack of concern
over performance and a decrease in motivation of the workforce. It was difficult for us to assess whether or not, and if so, the degree to which this happened at the co-operative. Some members, though, said it was having an effect. For instance one member thought that poor performance was being tolerated and that this would not be the case when the MSC grant ended in the October.

"No one will put up with it in October when we're on our own, if you have a grant you have to put up with it, we'll be able to tell them 'You're not going to get the same (pay) as us'."

The MSC funding also had detrimental impacts on the quality of management and workers that could be employed. MSC wages for a manager were comparatively low. This, combined with the high risk of a new business, made it difficult to attract a good manager. Workers employed in the co-operative had to be recruited from the unemployed, and hence it was likely that they would be the less skilled workers.*

*These negative impacts of MSC funding are more clearly illustrated in the case of Milkwood Co-operative described in Rhoades (1980).
6.2 Market

The cut, make and trim business has advantages for anyone starting a new business. It is labour rather than capital intensive, there is a shortage of good quality reliable producers and technically it is a relatively simple business. However, it does have disadvantages. It is highly competitive (many businesses start up and collapse each year) and consequently prices paid for making up garments is low. Much manufacturing is done using cheap, home labour and avoiding the overheads of a factory. Efficient organisation, low overheads and skilled machinists are required if such an operation is to be profitable. Market research carried out by one of the research team suggested that the optimal size for such a business was to have forty operatives. It is doubtful whether the initial feasibility study for the co-operative took these factors into account. Certainly members within the co-operative were unaware of them.

It is vital that good feasibility studies be carried out for all new co-operative ventures and that the implications are understood and acted upon by all members.
6.3 Management skills

Economic and management literature identifies three areas of leadership which are necessary within a firm if it is to survive and prosper; these are: entrepreneurial, managerial and technical. In a conventional company these skills are usually provided by management, or it is management's role to acquire them externally. The manager of a small business has to be a generalist, he must be able to deal with all aspects of management.

Throughout its history the co-operative suffered from a lack of the necessary management skills. Both the first two managers gained their experience of management in large companies. Neither of them knew the garment industry or were familiar with all the necessary management tasks such as financial, and production control. The third manager was an experienced quality control manager in the garment industry. However, he had to acquire the necessary accounting, sales and planning skills.

There were a number of factors which appeared to make it difficult to attract a good manager into such a co-operative. Firstly, the job is difficult, the manager has to be a 'jack of all trades' with ability in sales, accounting, supervision and organisation.
The necessity to keep overheads to a minimum means that only one manager can be employed. Secondly, under MSC funding the wage for a manager is comparatively low, and also because funding is only temporary the job is not very secure. Thirdly, the manager must be able to adapt to different working relationships. He must be able to accept that he is accountable to the workforce, and that he must share the rights of decision making.

It is likely then, under such circumstances, that it will be extremely difficult to obtain the right sort of manager. However, experience at the garment co-operative demonstrates the problems that arise if the choice of manager is made unwisely. This appears to be the major problem facing a co-operative set up by workers to avoid redundancy (Lockett, 1978).

It is quite probable that similar co-operatives will have to find other ways of acquiring the skills they need. Three other methods were used at the co-operative: the training of existing members, the establishment of an Advisory Group and thirdly the use of outside specialists as advisors. The role of the Advisory Group has already been discussed and it was concluded that it could not substitute for day to day management. The other methods though, warrant further discussion.
One approach to the problem is to try to develop the skills of existing members of the co-operative to make up for deficiencies. This was explicitly tried in the garment co-operative. The co-operative found it difficult to keep office workers, they usually left because of poor pay, job insecurity or not wanting to become members of the co-operative. It was decided that one of the machinists should train to do the accounts and deal with correspondence.

The idea was that the office worker would be trained by an outside expert. Originally, this was to have been the accountant from another local co-operative. In actuality the accountant was only able to work for short periods of time at the co-operative and at irregular intervals so the job was taken over by us. Although very willing the office worker found difficulty in acquiring these skills quickly. Visiting inspectors from the MSC decided that the office worker must be properly trained and did not want the member to continue. The pressure from the MSC made the members decide to abandon the scheme and try again to appoint an experienced office worker.

Different people have different capabilities. The choice of individuals for a specific job should take account of the person's ability and amount of training resources available. If training resources are limited then someone of high ability is required.
These factors can be overlooked in a co-operative, if someone volunteers for a job other members may be reluctant to reject the offer.

We also made more general efforts to involve members in the work we were doing so that they might learn the skills for themselves. This was successful in some areas. Learning through guided experience and from demonstration were found to be the most successful ways of teaching. However, a number of factors tend to inhibit this process. It is time consuming, which puts pressure on the advisor and trainee. Productivity was seen as the major problem within the co-operative, hence many members were reluctant to spend time away from their machines on other activities. Our time as advisors was also limited. The very lack of skills which is the cause of the problem is also likely to mean that crises continually arise, taking the time of the advisor and trainee.

As outside experts we were able to compensate to some extent for the lack of managerial skills within the co-operative. In a similar way it might be possible for co-operatives to buy in the management services they require. There are two dangers inherent in this approach. The first is that outside experts may not be familiar with or sympathetic to co-operative ways of working, and the second is that the co-operative might become dependent on the
outside expert. It has been suggested that local co-operative development agencies might provide such services (Cockerton et al 1980), which should at least minimise the first of these problems.

All the alternative ways of obtaining management skills have problems associated with them. There are no simple answers. Unless a new breed of co-operative minded managers emerge this is likely to remain a problem.

6.4 Production skills

The original members of the co-operative underestimated the skills that are required for efficient production. They had no formal training in garment machining but thought that they would be able to master the skills. Although this is in part true a visit to the factory by a member of the Industrial Training Board indicated that the level of awareness of efficient machining techniques was not as high as it should have been. Yet the co-operative was slow to follow this up and introduce any form of training. A number of factors might account for this:
(a) It is usually the task of management to recognise the need for and provide training, but none of the co-operative's managers had the experience to recognise inefficient techniques, and Mrs. Prior, with pressure on her time, had to concentrate on the day to day problems of production.

(b) Inefficient machinists are not likely to know they are inefficient. Output is firmly equated with how hard you work, not how efficiently.

(c) The very problem of increasing productivity has meant that training is ignored, because in the short term the time lost for training is likely to reduce productivity.

A further aggravation to this problem were the rules relating to employment under the MSC scheme which have already been discussed.

6.5 Participation

The effects of participation on the development of the business appear to be two fold. On the negative side, participation of the form practiced in the co-operative was time consuming and consequently increased the overheads of the business. At the same time the increased commitment from participation did not
lead to greater productivity to counteract this, because the technical and organisational skills needed to capitalise on this increased commitment were missing. However, on the positive side this commitment did mean that members were prepared to stay with the co-operative in times of crisis and to take a drop in wages to ensure the business's survival.
7.0 CONCLUSIONS

The Garment Co-operative represents an interesting experiment in co-operative democracy and business creation which has relevance to the theory and practice of worker co-operation. This section draws together the main conclusions from the research and presents some of the lessons learnt. However, it should be realised that these findings are based on the experience of one case and may not be generalisable, consequently they should be treated as working hypotheses rather than firm conclusions.

From the point of view of developing a viable business probably the main problems the co-operative has experienced stem from a lack of management expertise. In particular there was inadequate knowledge of the garment industry and consequently how to obtain and price orders for work, and of production organisation and control. The co-operative was largely unsuccessful in trying to obtain these skills by employing a manager as suitable candidates did not apply for the job. This appears to be a common problem in co-operatives that arise out of redundancies. The research also demonstrates that these skills can be supplied by outside consultants, but that a considerable input of effort over a substantial period of time is likely to be necessary if these skills are to be passed on to the workforce. This fact obviously
puts constraints on the practicality of this approach. However, solutions will have to be found to this problem if similar co-operatives are to develop and survive.

It is interesting to note that the Mondragon co-operatives in Spain which have been very successful in starting new businesses have their own bank and consultancy services, which give a great deal of assistance in pre-planning and managing the co-operative in its early days (Campbell et al 1977).

The Advisory Group was able to provide some advice on general business and administrative matters, and to provide moral support. However, its usefulness could probably have been increased if it had included people with direct experience of the garment industry. Even so it could not substitute for day to day management in the co-operative. Also it was noticed that managers were reluctant to reveal information to the Advisory Group on the actual state of the business, particularly if it was bad. With poor or inaccurate information the Advisory Group was in a worse position to offer good advice. It is important then that trust is established between the manager and any such group, and that the limitations of the group's role is recognised.
Another problem that faced the co-operative was the fact that many of the workers were not trained machinists. Consequently, their production techniques were not as efficient as they might have been. The very pressure to complete orders, and the pressure of work on the supervisor because of the lack of manager, inhibited investment in training.

Co-operation had various meanings to the members of the co-operative. Most members held the ideal that it should be a group of people working together towards a common purpose. The analogy was made with a happy family. However, different groups in the co-operative had different attitudes towards the role of management and the concept of equality within the co-operative. The original group of members was less keen to grant decision making powers to management. They were also in favour of a minimum of differentials in the co-operatives. It would appear that conflict over such issues is common within co-operatives (Paton 1979b), and that clear procedures need to be developed for resolving such issues. This tendency for a division to occur between founder members and newer members of the co-operative has also been noticed elsewhere (Lockett, 1978). Efforts need to be made to ensure that the divisions between such groups do not become too severe. This can probably be best achieved by ensuring that work and discussion groups contain a mix of different interests and of members with different lengths of service in the co-operative.
Work in the co-operative was seen to have both benefits and costs by the workforce. Some of the main benefits mentioned were: the feeling of ownership and involvement; the friendliness; the opportunity to discuss co-operative business and the lack of direct supervision. The main costs were the anxiety and extra work that were entailed in taking responsibility for running their own business. This was often acute because of the poor financial state of the co-operative, and because members were often unsure of their ability to deal with the problems they faced. However, there was agreement amongst the workers that they preferred working in the co-operative to other firms they had worked in.

The co-operative developed and maintained a high level of participatory democracy. It has been argued that this arose because of the founder members' involvement in planning the co-operative which gave them experience of collective decision making and a strong sense of ownership of the project.

Collective decision making does have costs associated with it. It can be more time consuming than managerial decision making. In the co-operative there was a lack of awareness of good meeting practice, which made this problem worse. When the
co-operative was without a full-time manager the executive
and monitoring functions of decision making were sometimes
forgotten or carried out inadequately. It is vital in collective
decision making that there are clear procedures for assigning
individuals to carry out decisions and to monitor their progress.

The garment co-operative demonstrates that participative decision
making and worker ownership can lead to increased worker commitment.
This commitment enabled the co-operative to survive during
difficult circumstances. However, the commitment was not turned
into productivity gains because of the lack of appropriate skills
within the organisation.
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Members objectives with regard to the Co-operative

This exercise was devised to find out what members wanted from working in the co-operative. They were given a list of sixteen possible objectives and asked to pick out the five most important in rank order. The main findings are summarised in the diagram below.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Number putting this first</th>
<th>Number putting this in the top five</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 A secure job</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>2 A good basic wage</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>3 The chance to earn a bonus</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>4 Good working conditions</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>5 An easy atmosphere - &quot;no one breathing down your neck&quot;</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>6 Making your own styles of garments</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>7 Doing good quality work (having pride in your work)</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>8 Learn a skill so that you can get other jobs easily</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>9 Be able to provide more work for more people in the future</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>10 Be able to have a say in decisions</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>11 Interesting, varied work</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>12 Perks (e.g. cheap blouses)</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>13 Be your own boss not lining someone else's pocket</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>14 Be able to use co-op profits to support local charities etc</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>15 Social equality</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>16 Other objectives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Co-ops are a thing of the future</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) Co-ops are a challenge</td>
<td></td>
<td></td>
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<tr>
<td>(c) Job satisfaction - 2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>