

# CLOTHING CO-OPS

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Clothing Co-ops:

Interim report of a study of the economic performance  
of Clothing, Textiles and Footwear Co-ops in UK since 1975

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## Economic Performance of Clothing, Textiles, and Footwear Co-ops in UK since 1975

1. Introduction. This report is based on two types of data. First, there is basic information on numbers, births and deaths of co-operatives, and numbers employed in different years. The most accurate up-to-date source is the Co-operative Development Agency's 1984 Directory, based on the Worker Co-operative Database which they now run jointly with the Industrial Common Ownership Movement. In addition to this, we have used earlier CDA Directories (CDA 1980, 1982), the 1984 London Co-ops Fair directory, and various other sources. In fact, this particular sector was chosen for our first sectoral report partly because of the good knowledge of various clothing co-operatives by members of C.R.U. (see Lockett, 197 ; Cornforth, 198 ; Emerson, 1983). Exact numbers remain hard to pin down, but we believe we now have a fairly accurate picture of the extent and growth of the clothing textiles and footwear co-operative sector from 1975 to 1984.

We aimed also to assess the performance of co-operatives in the sector of different types during this recent period. Some simple calculations on failure rates are possible from basic data of the type described above, but we have also used more detailed financial information derived from co-operatives' annual returns to the Registrar of Friendly Societies (or Companies House). This work is partly aimed at testing the feasibility of a data base on the economic performance of all U.K. worker co-operatives. Various measures were calculated based on a version of the standard accountant's pyramid of ratios. The apex of such a pyramid measures return on resources employed, and this would generally be given by a ratio such as OPERATING PROFIT: CAPITAL (see e.g. Harper, 1977, p34). However in our version the overall measure of return used is VALUE ADDED and the resources employed are taken as LABOUR as well as CAPITAL. This leads to a somewhat more complex set of ratios particularly as there is no standard way of measuring labour and capital inputs together. However, many of the ratios are the same as those for conventional small businesses, allowing some direct comparisons with such businesses or with industry averages, while other ratios may be more appropriate for comparisons between co-operatives.

Business ratios of this type could be used to analyse the performance of a particular co-operative over a period of years by comparison with other, similar, businesses. At the moment such a use could only be extremely limited, by three factors: first, few co-operatives have been trading long enough for a pattern to emerge by which to judge the next year's performance; second, data based on annual returns tends to be at least 18 months out of date, so is not much use for diagnostic purposes; third, co-operatives even within one sector vary considerably so that detailed comparisons of one co-operative's ratios with those for another may say more about differences in product, working methods or markets than about differences in performance. This report is an example of a different use of the data: to see how a particular group of co-operatives - those in the clothing, textiles and footwear sector - is performing, and to look for variations in performance and perhaps suggest reasons for those variations and hence clues as to what might be effective support or investment strategies.

2. The extent and growth of the clothing, textiles and footwear co-operatives sector.

We have divided the co-operatives on which we have information into three main types. First there are members of the old Co-operative Productive Federation, all of which began life at the end of the nineteenth century. These 'CPF co-ops' tend to have close links with the retail co-operative movement, substantial individual shareholdings, and membership which is not restricted to working members but may include retired workers, retail societies and others. Together with printing, this is the sector where CPF co-ops have persisted most strongly. By 1975 there were still six CPF co-ops in the sector of which four were in footwear. Interestingly, several of those were of above average size for establishments in this sector in general.

The second main category of clothing/footwear co-operative we distinguished comprises community or craft co-operatives. Community co-operatives proper have membership drawn from the whole of a local community rather than membership consisting of the workers in the co-operative. Often those that deal in clothing or footwear do so on the basis of joint marketing of craft goods including other types of crafts as well and it is impossible to tell from data available how much of the employment, turnover, etc. relates to which activity. There are also some co-operatives constituted as worker

co-operatives which sell craft goods, in some cases made at home on a very part-time basis. We thought it helpful to try to separate these co-operatives from those where a group of workers are trying to preserve or create proper jobs for themselves by manufacturing clothing or footwear. However, the data do not allow a hard and fast distinction, and an unsuccessful attempt at creating proper part-time employment might appear similar to a successful home-craft co-operative. We have made a judgement in each case but some co-operatives may arguably be categorised wrongly.

Finally we have new job creating or job saving worker co-operatives. These include 'new starts' set up from scratch, often with the aid of local co-operative development agencies (CDAs). They also include 'conversions' of existing businesses via 'rescue' of a failing operation or the 'endowment' of a going concern to the workforce by its previous owner, and 'phoenix' co-operatives started from a part of a failed business or by a group of workers made redundant together. In this sector there appear to be no 'endowed' co-operatives to date, but there have been several phoenix or rescue co-operatives, perhaps more in clothing and footwear than in most other sectors.

The estimated numbers of clothing and footwear co-ops in each category, for each year from 1975 to 1984, are given in Table 1. Noting the various provisos on the estimates, it is clear that the number of new job creation/saving co-ops in particular is continuing to increase substantially. Table 2 gives estimates of the numbers employed, excluding the community and craft co-ops. Whereas total UK employment has fallen in this sector over the period, the number of new co-operative jobs in clothing and footwear has increased steadily to approx. 400. The number of clothing/footwear jobs in CPF co-ops has fallen steadily, with a sharp drop in 1980 following the failure of the largest of the six with the loss of 450 jobs. This has meant that even with the considerable number of new co-operatives being formed, total co-operative employment in the sector has not yet returned to its 1979 level.

Table 3 shows how in the last two years, much more than previously, the majority of co-operatives set up in the sector have been very small 'new starts'. We do not have full information, so that there may be some of these small co-ops that should be called 'phoenix' because they were perhaps formed by four or five workers made redundant together. However, we believe such cases, if any, to be few, and in any case the trend towards small size co-ops is quite marked. By contrast, all but one of the five recent co-ops with over 10 workers are known to be conversions or phoenixes, as were the majority of earlier co-ops of this size, but the rate of formation of such co-ops does not seem to be increasing. However, the total of twelve plus attempts at phoenix, rescue or conversion co-ops is a relatively high number and makes this sector an important one for assessing this type of co-op, particularly as there continue to be opportunities for attempted rescues or conversions.

We are unable to chart the size of the sector in terms other than numbers of co-ops and of jobs beyond 1981 or 1982. However, Table 4 does show more detail on the financial size of the sector from 1978 to 1982. Note that for job creation/saving co-ops the figures for 1982 are very incomplete - possibly the total turnover of such co-ops for that year was approaching £1 million. The figures for average size of the co-ops also emphasise the point noted above that it was later than this that very small co-ops began to be formed in some numbers in this sector.

### 3. Performance of clothing/textiles/footwear co-ops.

#### 3.1 Failure rates

The main points to note on the CPF co-ops are that the largest failed in 1979 and the only other clothing co-op has suffered a severe decline in employment, from 155 to 54 between 1975 and 1984. The four footwear co-ops have continued at more-or-less the same level of operation over the ten years, but one of them ceased trading within the past year.

Failure rates for the new job creation/saving co-ops are perhaps of more interest, because these are still being formed at a rapid rate and it is important to be able to assess their chances of survival. However, it is quite difficult to estimate failure rates for these co-ops for two reasons.



First, it is hard to distinguish between a case of early failure and a case which never got beyond the ideas stage. The latter type have on occasions been included in local co-operative directories or in optimistic reports from local co-operative development agencies, or even exhibited at trade fairs, without in fact ever trading. The second reason is that so many of the co-operatives are so new that to give a rate for, say, how many fail within five years is not yet possible. Only six of these co-ops began trading before 1980, and, apart from the smallness of this sample, one would not expect the same conditions or expectations to apply to those co-ops starting out in 1985, with, on the one hand greater levels of co-operative development support, and, on the other, an even worse economic situation in which to begin trading.

Looking back to Table 3, we can see that of 20 new co-ops in this sector started between 1975 and 1982, one has converted to a private company and probably eight have failed (seven certainly, plus one more 'presumed dead' through lack of recent information). Of those started this year and last there appear so far to have been six failures, but several of these may not really have got beyond ideas. In addition there are five other cases known to us where co-ops may have traded briefly. In addition, of course, there is still time for some of those included to fail within their first year.

Table 5 gives a little more detail but its main feature is probably the uncertainty of some of the figures. Perhaps the most useful figures to pick out are that, so far, for co-ops first registered or trading in 1982 or earlier, five out of 28 (18%) are estimated to have failed within two years, and of those first registered or trading in 1981 or earlier, eight out of 20 (40%) are estimated to have failed within three years.\* In both cases, these failures do not include the one 'privatisation' (which would raise the failure rates to 21% and 45% respectively), but do include the one 'presumed dead' mentioned above. The total of 20 for 1981 or earlier comprises the same co-ops as those in Table 3 (in other words, in our records, none of the co-ops first registered in 1982 had a full year of trading before the following year); the 28 included for 1982 or earlier does not include one case of a co-op recorded as first registered in 1982 but which may never have traded.

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\* By comparison, a report in British Business, 1983 estimates 28% of new firms in production industries failing within 3 years (Bollard, 1984, p21). This may be an underestimate because the figures are based on VAT registrations and deregistrations, and many firms fail before ever registering for VAT.

Three tentative conclusions can be drawn from these figures. First, the rate of failure in the early years of a clothing/footwear co-op is about the same as or only slightly worse than that for small businesses in production industries in general. This is difficult to be sure of because exactly comparable data is not available and because our sample is so small. Second, except for a few possible cases of more or less immediate failure or 'stillbirth', co-op failures seem to occur in the third year more than they do earlier. Perhaps, once established, co-operators will give a great deal to try to make a go of things and do not usually give up at least for a couple of years. Third, looking back to Table 3, the failures are more amongst the larger co-ops, particularly the phoenixes (though the possible 'stillbirths' in fact tend to be very small co-ops, and there are several successful phoenixes).

### 3.2 Accounting ratios

We have chosen ten ratios to calculate for the CPF and the new job creation/saving co-ops in the sector, some of which can be compared with figures for clothing or footwear firms in general in, for example, Business Monitors. Table 6 gives figures for these 10 measures taking together all those co-ops of each type for which data is available, from 1975 to 1982 for CPF co-ops and from 1978 to 1982 for new co-ops, with comparisons from Business Monitors where available. Note that for 1982 our figures are for less than half of the new co-ops trading in that year. This is due mainly to late lodging of annual financial returns. For 1979 the figures for CPF co-ops are strongly influenced by the failure of one large co-op. We will comment on each measure in turn.

(i) **TURNOVER: NET ASSETS.** This ratio is included as a measure of efficiency in utilization of resources. However, it will vary considerably between different types of business e.g. between CMT and own-label or mail order selling, and changes in its value will only convey useful information if the businesses included are known to be similar in these respects. Another point to note is that a high value for this ratio may mean under-capitalization rather than efficiency. Thus the increased figure, up to 8.39 in 1982, for new co-ops does not necessarily mean they are becoming more efficient compared to CPF co-ops - it simply means they are turning over their relatively meagre assets faster, partly because of being on the whole in different types of business.

(ii) VALUE ADDED: NET ASSETS. This ratio is taken to be a measure of return on capital more appropriate to co-operatives than rate of profit. It cannot be used as a single measure, partly because it must be higher for a more labour-intensive technology, so consideration should be given to returns to labour and capital together. As with the previous measure, the increasing value of this ratio for new co-ops should be treated with caution, particularly the 1982 figure.

(iii) VALUE ADDED AS % OF TURNOVER. This is the first of the ratios for which we have figures for the footwear and clothing sectors as a whole for comparison. Here it seems the new co-ops are working to a healthy enough margin, perhaps because their particular product ranges are of higher relative value than, say, those of the CPF footwear co-ops.

(iv) VALUE ADDED PER HEAD )  
 (v) GROSS PROFIT PER HEAD )  
 (vi) TURNOVER PER HEAD )

These figures are all extremely low for the new co-ops, though they are increasing relative to those for the CPF co-ops, which are quite closely in line with the Business Monitor figures. They are all measures of productivity of labour, and are perhaps understandably low in the early period of co-ops formed with a heavy training or re-training element. Increases will be masked by more new entries with low productivities. However, it must be said that these figures will have to be seen to increase or else new co-ops in these sectors will appear marginal and of interest only to those interested in low intensity and thus necessarily low-paid work.

(vii) AVERAGE WAGE (GROSS) As with the previous three figures, this is distorted, both for the co-ops and in the Business Monitor, by differences in the ways part-time employment is counted. We have tried to count a part-timer as  $\frac{1}{2}$  a full-timer, but cannot always be sure whether certain jobs are part or full-time. The figures for CPF co-ops include bonuses and payments to provident funds etc., which may partly account for their being above the industry average. However, it is the extremely low figures for the new co-ops that give cause for concern. The average wage there has hardly increased, despite inflation, perhaps reflecting the shift from wage subsidy (e.g. training grants or MSC schemes in 1978/9) to indirect investment by local state agents (see below). Note, though, that a 'sweat equity' element in new co-ops entering with deliberately low wages for a time, will keep this figure down overall.

(viii) WAGES AS % OF VALUE ADDED. The wage subsidy element for new co-ops, though decreasing, is very evident in these figures. Figures over 100% mean, of course, an operating loss rather than profit. One might expect co-ops to run higher figures here than profit-taking small businesses, but even the CPF co-ops have gone above 100% in 1982, indicating that they are running down reserves. These figures for new co-ops, together with the previous few, seem to indicate very low labour productivity partly compensated for by low wages but partly by wage subsidy or by loss-making out of initial investment. This may be a picture of a method of "bootstraps" starting up of co-ops, but with the under-capitalisation already referred to it would seem there can only be a very short period in which to turn each business into a more conventionally as well as co-operatively successful one.

(ix) TURNOVER: STOCKS. Another material efficiency measure, on which the new co-ops score well.

(x) LIQUIDITY. The measure here is:

(CURRENT ASSETS Minus STOCKS)/CURRENT LIABILITIES.

The higher figures for new co-ops in 1978/9 again reflect wage subsidies and revenue grants available to some of the earlier new co-ops. The high figures for CPF co-ops reflect the healthy reserves several of them still have. The recent figure of around 0.55 for new co-ops looks somewhat unsafe - around 0.7 to 0.8 would be better - but their position in this respect is not too desperate in general.

#### 4. Variations in Performance

For 1981 we have financial data for 10 out of 11 of the new job creation/saving co-ops and for the five CPF co-ops then trading. Overall the variation in performance, as measured by the ratios suggested in 3.2 is perhaps the most striking feature. There are several factors that can be used to differentiate between these co-ops, for example: (i) size; (ii) age; (iii) financing; (iv) type of business. We have an indication of these factors plus a selection of performance measures for each of the 15 co-operatives for 1981.

We cannot expect to demonstrate any causal relationships between any of these four factors and the performance of the co-operatives on the basis of these figures. First of all, we have only 15 cases. Second, there are clearly several other likely sources of variation in performance which will not have been measured in figures such as these, for example: the presence or absence of skills including management skills; the degree of participation; and, for new co-ops, the start-up conditions and the presence or absence of a local CDA or other support agency. Third, performance will depend not just on conditions in a given year but on what has gone on in previous years. Finally, for six of the co-ops, 1981 was the first year of trading, so the figures give only a hint of the likely future performance of those new start-ups.

We do, however, have additional background information on several of the co-ops so it is worth trying to make some interpretations and suggest some typical combinations. Where there are several years of records for new co-ops we can look for patterns of start-up behaviour. Unfortunately we have only two cases with more than two years of records, and we look at these in 4.2 below. First, in 4.1, we suggest some types and what to look out for in the next few years in each case.

#### 4.1 Types of new co-operative and likely patterns of performance

(i) Co-ops C and H are both phoenix co-operatives with a workforce of about 25 and a mixture of external and internal financing. In the case of Co-op C the latter includes a considerable amount of "sweat equity" reflected in the fact of low wages and an operating profit in the first year. By the second year, these two co-ops' wage rates were the highest, very close to the industry average for that year. Both of these look as though their start-ups are reasonably well supported, and they could perform similarly to small businesses in the same sector.

(ii) By contrast, Co-op E appears to have external financial support out of all proportion to its potential performance. Its initial productivity was extremely low. The external support was mostly a grant, which went mainly into subsidising wages, so that despite this external support the co-op appears under-capitalised. In the second year, the wages seem even lower, and productivity not much better. It will require additional external money or a very quick increase in productivity and turnover, or continued sweat equity, or a combination of these, to survive.

(iii) Co-operative A's financing initially was entirely from members, though they may have assistance in kind from other sources. They were so under-capitalised as to have run out of working capital within a year, and were effectively financed by creditors. Their needs were similar in a way to those of Co-operative E, but they were perhaps in a better position to mount a "bootstraps" operation because of no expectation of massive subsidy from outside.

Co-op F is a small new start with low capital and a small ICOF loan. With a mixture of low wages and low productivity it is perhaps typical of small new start co-ops in a variety of other sectors. Co-op D has some similarities, though it started a year earlier. Like Co-op A in its first year, Co-ops D and F were still financed partly by their creditors after two years. All three of these co-ops seem to be living very dangerously in conventional business terms (liquidity between 0.2 and 0.3, under-capitalised, low productivity) but are known to have survived another 2-3 years at least.

In fact in their second year Co-op A achieved a bank loan and a (tiny) operating profit as well as a large increase in wage rates. Co-op F has increased its workforce several fold over 4 years.

(iv) Co-op I had some similarities with Co-op A being apparently under-capitalised and financed by creditors. But their productivity was much higher. Where Co-op A (VA 81% of turnover) was CMT, Co-op I had its own high value product. On wages and productivity Co-op I was the only new co-op at all in line with industry-wide figures in its first year. It could still, however, be characterized as a "bootstraps" operation. But whereas Co-op A's means of staying alive is via more sweat equity and some small external loans, Co-op I is likely to be able to attract substantial outside funds. (In fact, Co-op I 'went private' a year later.)

#### 4.2 The first 4-5 years of a new co-op

Co-operatives G and B are the two longer-established new clothing co-ops. We have figures from their first four and five years' performance, respectively. Both initially had revenue support, either as a govt. training grant or a grant from a previous employer. Both made substantial losses in the first two years. They look a little similar to Co-operative E in several respects.



However, whereas Co-op B continued to lose money and were forced to trim the workforce very substantially, Co-op G apparently have kept up their workforce and continue to operate.

We might speculate that, in line with the third year being a common year for failures, it may often be a "crunch" year in pure financial terms. There is a possibility for heavily externally supported co-ops to go under or down at this point, but also for them to continue, though what exactly are the factors separating these types, and indeed whether the performance of co-ops such as Co-op G warrants terming them 'successful', are moot points. There are also more 'normal' conversions like Co-ops C and H, and finally the 'bootstraps' operations at different levels, and we have not yet got series of data on these to see where the 'crunch' point in terms of human commitment might come.

#### 5. Summary and Conclusions

1. The number of new job creation/saving co-ops in the clothing/textiles/footwear sector is continuing to increase substantially, from 6 in 1980 to 18 in 1982 to 37 in 1984.
2. About 400 new co-operative jobs in the sector have been created, but this has not outweighed the recent failure of two large CPF co-ops so that total co-operative employment in the sector, standing at approx. 800, has not yet returned to its 1979 level.
3. Over the past two years there has been a surge in numbers of co-ops set up on the sector, mostly very small 'new starts'.
4. Since about 1977 there has been a steady rate of formation of conversion or phoenix co-ops, almost all with 10 or more workers, at one or two per year. The total of 13-plus such attempts makes this sector an important one for assessing these types of co-operative.

5. Recent financial figures for the sector as a whole are not available, but for 1982 the turnover of the CPF co-ops was just over £6million, and for the new job creation/saving co-ops approx. £1 million. The latter figure may be expected to have doubled, and the former to have dropped slightly, by 1984.

6. Failure rates for new co-ops are difficult to assess, because so many are so new, and because it is difficult to distinguish cases of very early failure from cases which never actually traded. However, we estimate that, of new co-ops registered or trading in 1982 or earlier, five out of 28 (18%) ceased trading within two years, and of those registered or trading in 1981 or earlier, eight out of 20 (40%) ceased trading within three years. These tentative figures compare with 28% of businesses in production industries failing within 3 years, according to a report in British Business, 1983, based on VAT registrations and deregistrations.

7. There are perhaps more cases of more or less immediate failure or 'stillbirth' recorded than would otherwise have come to public attention at all because of the existence of local directories and other promotional materials. Discounting these, co-op failures seem to occur more in the third year than they do earlier.

8. The failures are more amongst the middle-sized (10-20 workers) and larger co-ops, particularly middle-sized phoenixes (though the 'stillbirths' tend to be attempts at very small co-ops). Such phoenixes can also do well (see 11(i) below.)

9. In the first year or so, as with any small business, co-operatives tend to lose money. This is the period of investing in and building up a business. Co-operatives may also lack certain skills, both technical and managerial. In addition, co-operatives are often under-capitalised. New co-ops often appear to compensate for this by paying very low wages at least initially. However, this gives them a relatively short time in which to learn very fast before money and/or commitment run out.

10. Financial performance figures for CPF clothing co-ops show them not far from the industry average on labour productivity and wages. Average figures for new clothing co-ops are extremely low on both these counts, but this is probably explained by a preponderance in each year of co-ops in the first (or second) year, as the sector continues to grow.

11. There are several types of new co-op, characterised by different financial performance figures over their first few years. Three\*main types seem to be:-

- (i) Phoenix co-ops with a mixture of external and internal financing that can perform at least similarly to conventional small clothing companies.
- (ii) Co-ops with a very high degree of external backing, perhaps grant-aid, wages subsidy or training grant, plus external loan finance, which in terms of labour productivity look very unlikely to succeed in conventional terms. Some of these have been failures; some seem to be keeping going for several years to date.
- (iii) 'Bootstraps' co-ops, usually small, with local CDA support, local (or ICOF) but limited finance, heavily underfinanced, paying low wages ('sweat equity') initially, but apparently surviving and in some cases transforming into operations that are said to perform well both as businesses and as co-ops (but we lack financial info on the last two years to verify this).

The above types can all succeed or fail, and may expect crisis points at typically different periods of time after they start.

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\*not counting one case of a very financially successful co-op that 'went private'

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TABLE 1 : Nos. OF CLOTHING/TEXTILE/FOOTWEAR CO-OPS UK 1972-84 (1) (3)

	Job Creation/Saving	CPF	Craft/Community	Total
1971	1	6	0	7
1973	1	6	0	7
1974	1	6	0	7
1975	1	6	1	8
1976	1	6	1	8
1977	0	6	1	7
1978	2	6	1	9
1979	3	6	2	11
1980	6	5	3	14
1981	11	5	4	20
1982	8	5	7	30
1983	19	5	5	29
1984	28	4	5	37
(2)	37			46

Notes (1) Figures for each year do not include registrations that year unless the co-op concerned is known to have had a full trading year. Most co-ops have their first full year of trading in the year following registration.

(2) The second figure for 1984 includes nine co-ops which have begun trading but not completed a year.

(3) Low estimates are given i.e. only co-ops we are certain about in a given year.

TABLE 2 : Nos. EMPLOYED IN CLOTHING/FOOTWEAR/TEXTILES CO-OPS UK 1975-84 (not including Crafts/Community Co-ops)

	Job Creation/Saving Co-ops		CPF Co-ops		Total		UK employment footwear & clothing
	No. of Co-ops	Estimated No. of Jobs (f/t equiv)	No. of Co-ops	Estimated No. of Jobs (f/t equiv)	No. of Co-ops	No. of Jobs (f/t equiv)	
1975	1	14	6	1167	7	1181	
1976	1	14	6	1144	7	1158	
1977	0	0	6	1104	6	1104	
1978	2	43	6	1103	8	1146	349,000
1979	3	62	6	980	9	1042	337,000
1980	6	70	5	555	11	625	343,000
1981	11	133	5	507	16	640(1)	297,000
1982	18	275	5	496	23	771(2)	273,000
1983	19	295	5	495	24	790	
1984	37	382	4(4)	415	41	797(3)	

(1) Taylor gives 899 using CDA Directory 1980.

(2) Taylor gives 897 using CDA Directory 1982.

(3) CDA Total is 1016 including full and part-time and including community co-ops.

(4) Not including St. Crispin (which does not appear in CDA 1984).



TABLE 3 SIZE AND TYPE OF JOB CREATION/SAVING CO-OPS STARTED IN CLOTHING/TEXTILES/  
FOOTWEAR IN UK SINCE 1975

	No. of workers (f/t equiv.) (1)				
	unknown (prob.small)	5 or below	6-10	11-20	21-50
No. of co-ops whose first year of trading was 1982 or earlier		6 (incl. 1 <sup>(2)</sup> conversion) of which 2 have since failed (3)	1	6 (incl. 2 conversions) of which 5 have failed(4)	7 (incl. 5 conversions) of which 2 have failed
No. of co-ops whose first trading year was 1983 or 1984(6)	5 all here failed(3)	17 (incl. 1 conversion) of which 1 has failed	5	3 (incl. 2 conversions)	2 (both conversions)
Total	5	23	6	9	9
Total live 1984	-	20	6	4	7

Notes

- (1) Nos. of workers in 1984 or last year of trading.
- (2) started with larger nos. (over 20)
- (3) in each case figures include one "presumed dead" for lack of 1984 info.
- (4) includes one 'privatisation'.
- (5) 'Conversions' include phoenixes, rescues and conversions; only known conversions given.
- (6) Several others may have traded briefly; we have records of 5 such possible 'stillbirths'.

TABLE 4: GROWTH/DECLINE OF CLOTHING/FOOTWEAR CO OP SECTOR UK 1975-82

New Job Creation/Saving Clothing/Footwear Co-ops

	No. of *Co-ops	Ave of Co-op	Est F/T Equiv.	Financial Turnover	Ext. Finance	Internal Mbr Loan	Val Add	Net Assets
1978	2	1.00	43	52139	1345	0	33292	36907
1979	2(3)	1.50	39	67093	30099	0	42662	38800
1980	4(6)	1.75	49	126835	51596	0	63334	37902
1981	9(11)	1.67	118	488236	78461	12087	237250	92395
1982#	7(18)	2.71	138	511594	106063	8806	264192	61005

\*Figs in brackets show total no. of co-ops trading that year.

#Note totals are for only 7 out of 18 co-ops in 1982.

CPF Clothing/Footwear Co-ops

	No of Co-ops	Est F/T Equiv.	No. of Members	Turnover	Fx Asset	Ext. Finance	Internal Mbr Loan	Shares	Net Assets
1975	6	1167	2399	4508556	277417	296564	274642	137356	1874561
1976	6	1144	2365	5235981	282054	411583	283030	135777	2079270
1977	6	1104	2292	6195375	306032	398698	283874	131560	2420046
1978	6	1103	2281	7254073	318480	600924	299452	132561	2488670
1979	6	980	2252	8040819	427844	600346	309957	130333	2370247
1980	5	555	1925	6383480	473340	47622	171085	96551	2732617
1981	5	507	1880	5753257	455745	79307	178218	93293	2730482
1982	5	496	1229	6240179	442030	69971	163119	78728	2935196

TABLE 5: FAILURE RATES OF NEW CLOTHING etc. CO-OPS (1977-84)

	Nos. first registered/ trading in that year	Failed by following year	Failed in: year 2	year 3	years 4-7	Still trading 1984
1977	1	-	-	1	-	0
1978	1	-	-	-	-	1
1979	3	-	-	-	-	3
1980	5	1	-	1	-	3
1981	10	1	2(1)	3		4
1982	8(2)	1	1			6
1983	15(3)	4(5)				11
1984	9(4)					

<u>Totals:</u>	Failed within:		
	1 year	2 years	3 years
up to 1980			
10	1 (10%)	1 (10%)	3 (30%)
up to 1981			
20	2 (10%)	4 (20%)(1)	9 (45%)(1)
up to 1982			
28	3 (11%)(6)	6 (21%)(1)	
up to 1983			
43	7 (16%)(6)		

Notes

- (1) includes 1 'privatisation', 1 'presumed dead'.
- (2) does not include 1 co-op registered but still (1984) not trading; does not include 1 poss. 'stillbirth'.
- (3) does not include 3 possible 'stillbirths'.
- (4) does not include 5 registered but not trading; does not include 1 poss. 'stillbirth'.
- (5) includes one 'presumed dead'.
- (6) N.B. possible 'stillbirths'. Figures shd. perhaps be 4/29 (14%); 11/47 (23%).

TABLE 6:  
RATIOS

New Job Creation/Saving Co-ops in Clothing/Footwear

	Age of Co-ops	Turnover: Net Asst	Val Add: Net Asst	VA as % of T'ver	Val Add: Per Head	GR Prof Per Head	Turnover Per Head	Ave Wage (Gross)	Wages as % of VA	T'ver: Stocks	Lqdt	% of Ass External
Ave 1978	1.00	1.41	0.90	64	774	1175	1213	2737	354	9.17	1.52	4
Ave 1979	1.50	1.73	1.10	64	1094	1600	1720	2277	208	9.82	1.17	78
Ave 1980	1.60	3.27	1.60	49	1351	2399	2769	2320	172	5.23	0.53	129
Ave 1981	1.70	5.00	2.41	48	1977	2990	4103	2236	113	5.48	0.58	84
Ave 1982*	2.71	8.39	4.33	52	1914	2734	3707	2278	119	6.73	0.55	174

\*N.B. Only 7 out of 18 co-ops.

CPF Clothing/Footwear Co-ops

	1975	2.41	0.92	38	1475	2753	3863	1331	90	3.70	1.66	
	1976	2.52	1.12	45	2042	3080	4577	1762	86	3.66	1.45	
	1977	2.56	1.05	41	2303	3444	5612	1795	78	3.96	1.52	
	1978	2.91	1.16	40	2621	4027	6577	2458	94	4.17	1.34	
	1979	3.39	0.91	27	2211	5685	8205	1923	87	5.23	1.20	
	1980	2.34	0.94	40	4634	7221	11502	3912	84	4.96	2.12	
	1981	2.11	0.84	40	4514	6981	11348	4241	94	4.11	1.81	
	1982	2.13	0.81	38	4793	7579	12581	4846	101	4.37	1.96	
All UK	1979			42	4374	4988	10321	2335	58	4.8		
Establishments:	1980			42	4545	5268	10908	2741	67	4.8		
Clothing	1981			42	5094	6006	12119	3039	66	4.9		
	1982			42	5740	6728	13652	3334	65	5.0		
	1979			44	5616	6311	12851	3038	59	5.2		
Footwear	1980			45	6136	6971	13647	3608	64	5.8		
	1981			47	7056	8063	14941	4107	64	5.9		
	1982			46	7572	8738	16523	4511	65	5.9		



