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John Harrison,

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Building Community Wealth Through Workers' Organisations: The Challenges and Benefits of Co-operation Through Trade Unions

John Harrison

This short paper reports on the formation of the Preston Cooperative Education Centre (PCEC), which was founded in 2021 as a union co-operative. Taking their inspiration from the Mondragón co-operatives in the Basque Country, the PCEC founders believe that education and training are at the heart of any attempt to create a fairer and more equal society. The paper discusses the joint role that co-operatives and trade unions can play in community wealth building. It concludes with the author's reflections on the benefits and challenges of promoting a union co-operative model.

The Preston Cooperative Education Centre (PCEC) was set up to support community wealth building, based on the belief that social transformation starts with education and training. Much of the theory behind the formation of the PCEC comes through close co-operation with Union-Coops UK and their *A Manifesto for Decent Work* (Bird et al., 2020). The idea is to bring the trade union and co-operative movements together to bring about societal change at the grassroots level. Unions are unparalleled organisations of worker representation. The co-operative movement can provide a means for wider societal change to the unions, giving workers a framework to truly take ownership and control of their workplaces rather than simply bargaining with the owners.

The particular programme of community wealth building that the PCEC is involved in is that of The Preston Model (Preston City Council, 2023). Councillor Matthew Brown's co-authored book on the topic describes four aspects of community wealth building: anchor institutions, progressive procurement, fill the gaps through co-operatives, and support the whole community (Brown & Jones, 2021). To briefly summarise, the anchor institutions are encouraged in 'thinking locally' through increased local procurement and other ways of supporting the local economy. This creates demand at a local level, servicing already existing local SMEs, and creating a market for new local businesses. Gaps in this market can be filled with co-operatives and community-owned businesses, whose co-operative benefit distributes wealth downwards to provide for the entire community (Co-operatives UK, 2023).

This economic change is intended to spark cultural change too. As Brown & Jones (2021, p. 36) put it:

... the [Brexit] referendum did reveal the undeniable extent of popular political disenfranchisement — something that exists in similar forms beyond the UK. While Brexit merely paid lip-service to addressing this democratic deficit, initiatives like those pioneered by Preston show practically how communities can genuinely “take back control” through developed decision-making and encouraging mutualism and cooperatives.

It is for this reason that the PCEC places a strong emphasis on values and principles: of ensuring that we teach and raise awareness not only about the mechanics of how co-operatives work, but the values and principles behind them.

As part of this agenda of community wealth building, experts from across the world were called in to give advice and guidance, namely Ted Howard from Cleveland, USA, and an advisory team from the Mondragón Co-operative in the Basque Country. The Mondragón report expressed a:

Need to extend and bring cooperative values and principles to all educative levels, from schools to the University, as a way to increase awareness about collaboration, cooperation and democratic economy among young people. One of the learnings of Mondragon is that education is a key point to start this social transformation process. In that case, it was the initial and a core element developed before the creation of any cooperative (LKS Next, 2020, p. 8).

One of the key purposes for the creation of PCEC was to meet this need. The group was founded by a handful of experts from trade union education and co-operative academia, with the aim not only to bring these values and principles to young people, but to all stakeholders in the community.

The project, which commenced in January 2023, is part of a raft of initiatives delivered in co-operation and designed to further the broader agenda of building A Shared Economy in Preston as laid out by the Mondragón report (LKS Next, 2020). The particular project that the PCEC is delivering is to promote co-operative education within the local trade union movement. The suggestion that union members and reps ought to be educated in the principles and practice of forming and running worker co-operatives elicited a range of responses, with no clear general trend other than that everyone consulted was broadly supportive.

Those more radically inclined tended to be the most sceptical and require the most convincing. I recall quite early on in the project engaging in an hour-long 'comradely debate' with some trade unionists who grilled me on everything from how co-operatives fit into the concept of a Marxist revolution, to concerns over the viability of the worker co-operative as a business model, in which they argued that the capitalist class would never allow such organisations to exist for long, as they pose a direct threat to their dominance of capital. Some with slightly more understanding of the model viewed worker co-operatives with suspicion, rightly questioning whether such organisations would potentially do away with worker representation through unions. Curiously, one of the biggest challenges was with those who had had experience with employee ownership trusts. These individuals tended to see employee ownership as an executive ploy to do away with union representation. They suggested that, in their experience, organisations turned fewer than 50% of the shares over to the employee trusts and then gutted the union representation, enabling them to control the conditions of employees virtually unopposed. These concerns were addressed by being very clear that the PCEC is not in the business of abolishing unions and explaining our support for the union co-operative model, which upholds trade unionism through its principles and governance. It was also necessary to explain the differences between worker co-operatives and employee-owned organisations, to undo much of the damage that had apparently been done by their conflation.

While support has been expressed at all levels of trade unions that I have spoken to, there was a marked difference between the reaction of local reps (who represent the members in individual workplaces) and regional officers. The reps that I have spoken to tended to have had little contact with worker co-operatives at all and often asked for much more in-depth explanations of the model and how it works. Regional officers, on the other hand, were not only familiar with worker co-operatives but some had even been involved in co-operative development programmes before. They were less concerned with how worker co-operatives work and the mechanics of the model, and more concerned with why we were reaching out to unions and how the two movements could complement each other. Across all levels of those that I spoke to, they tended to weigh everything against what benefit it might bring to their members. Those whose members are mostly in large corporations, for instance, were open about the fact that there would likely be less interest among their membership than those who represent smaller workplaces that might potentially be converted to worker co-operatives.

In conclusion, the informal discussions I had suggest that there is a need for further education and training to explore the benefits and challenges of bringing the trade union and co-operative movements together. PCEC hopes to contribute to this work in Preston in order to contribute to social transformation.

The Author

John Harrison is a project worker with Preston Co-operative Education Centre and is active in the Labour Movement in Preston.

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