Journal of Co-operative Studies

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How to cite this article:

de Peuter, G., Dreyer, B., Sandoval, M., & Szaflarska, A. (2022). Cooperativism in cultural and tech sectors: Promises and challenges. *Journal of Co-operative Studies, 55*(3), 57-64. https://doi.org/10.61869/JTVR5224

Cooperativism in Cultural and Tech Sectors: Promises and Challenges

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This paper reports on a survey of co-operatives in the cultural and technology sectors in Canada, the United Kingdom, and the United States. Creative industries are a growth area for new cooperativism, with more than a quarter of surveyed co-operatives in operation for less than five years. While the findings show that co-operation is a promising strategy for countering individualised experiences of work, for democratising workplaces, and for facilitating satisfying work in creative industries, they also reveal significant challenges which individual co-operatives and the wider co-operative movement must confront for cooperativism to have a sustainable and inclusive future in the cultural and technology sectors.

Introduction

Inquiry into new cooperativism's present composition and future prospects requires documenting — and assessing — co-operative activity among workers in emerging and expanding sectors of the economy such as creative industries, encompassing arts and culture, media and communication, and information technology. Critical research on these often-glamourised industries has surfaced persistent labour problems within them, ranging from widespread precarious employment to the pressure to work for low (or no) pay, racism and sexism, lack of collective representation, and the requirement to work on projects at odds with one's social values (McRobbie, 2016). While the COVID-19 pandemic's effects have been uneven across different parts of the creative industries, it has exacerbated the precarity of many cultural workers in particular (Comunian & England, 2020).

Labour researchers have increasingly turned their attention to workers' collective responses to exploitative, individualised, and unequal working conditions in cultural and technology sectors. While this scholarship has tended to focus on union organising and grassroots activism, increasingly researchers have centered co-operativism as a strategy for countering precarity, mitigating inequality, and empowering workers in these sectors, and thus as a strategic area of co-operative development (Co-operatives UK, 2011). Researchers have identified affinities between the co-operative model and the organisation of work in creative industries (Boyle & Oakley, 2018), illuminated tensions between political commitments and market pressures within worker co-operatives in the cultural sector (Sandoval, 2018), and promoted co-operativism as an antidote to worker exploitation and power asymmetries in platform capitalism, particularly among gig workers (Scholz & Schneider, 2016).

Inspired arguments for the applicability of the co-operative model to the digital economy have accelerated co-operative experimentation, and the small but increasing number of case studies of individual co-operatives has advanced contextualised understanding of co-operative practice in creative industries (de Peuter, de Verteuil & Machaka, 2022). To date, however, there has been little research that documents working conditions in co-operatives in creative industries more systematically. Such research is necessary to better gauge the promise and challenges of new cooperativism, especially among young workers in emerging industries. As a contribution to this task, this article reports on findings of a recent survey of co-operatives in the cultural and tech sectors (Dreyer et al., 2020; de Peuter et al., 2020).

Journal of Co-operative Studies, 55:3, Winter 2022: 57-64 ISSN 0961 5784
https://doi.org/10.61869/JTVR5224

Research Methods

An online survey was designed to generate a portrait of the co-operative landscape in creative industries, with a focus on working conditions, benefits of working co-operatively, motivations to form co-operatives, and challenges facing co-operative businesses. A database of co-operatives in creative industries in Canada, the UK, and the US was populated by consulting publicly available membership lists of co-operative associations and co-operative directories as well as by searching online for co-operatives that fit the research criteria. The survey was comprised of seven sections: co-operative profile; economics; membership and employment; identity, support, and movement; pay, benefits, and policies; governance; and technology and communication. The survey collected quantitative and qualitative data, combining rating scales, multiple-choice, and rank-order questions with comment boxes for brief responses to open-ended questions.

The survey was distributed in late 2019 to 446 co-operatives: 111 in Canada, 153 in the UK, and 182 in the US. The survey invitation was sent via email and completed by one co-operative representative or by more than one representative together. The 20-30-minute survey was completed by 106 co-operatives, a 23.7% response rate. Survey data were cleaned and analysed using SPSS. The database from which the survey population was derived was not comprehensive of co-operatives in creative industries in the countries covered by this research, and the small sample means that the results are not generalisable. As the survey collected self-report data, the results may be affected by recall bias and social desirability bias, though respondents' anonymity may counteract the latter. To supplement the survey, interviews were conducted with eight worker-owners across four co-operatives, each of which represents a key subfield of creative industries — arts, communication, design, and technology.

Findings and Discussion

The survey findings shed light on the composition, strengths, and challenges of new cooperativism in creative industries. Of the 106 co-operatives that completed the survey, 42 are in the UK, 34 in the US, and 30 in Canada. By sector, surveyed co-operatives are spread across arts and culture (55.2%), technology (19%), media and communication (17.1%), and "other" sectors (8.6%). This sample includes, for example, technology service providers, digital design agencies, art galleries, architecture firms, and video game studios. By co-operative type, the largest share of co-operatives (41%) are worker co-operatives, followed by multistakeholder co-operatives (11.4%), producer co-operatives (10.5%), and consumer co-operatives (2.9%). A significant portion of respondents (34.3%) described their co-operative type as "other" which included, for example, "freelancer co-operative", "platform co-operative", and "actors' co-operative". Digital technologies are significant across subsectors and co-operative types: approximately half of surveyed co-operatives regard their business as internet-based and 20% describe themselves as tech co-operatives. In terms of years of operation, 49.1% of the co-operatives have been active for 15 or more years, 25% for 5-15 years, and 26.4% for five years or less. Most of the co-operatives have a small membership: 48.1% have 20 or fewer members; 28.3% have 20-50 members; and 23.6% have more than 50 members.

In what follows, select survey findings are presented and analysed under five headings: motivations to co-operate; working conditions; cultures of co-operative work; diversity and equity; and challenges of cooperativism. While the findings show that co-operation is a promising strategy for countering individualised experiences of work, for democratising workplaces, and for facilitating satisfying work in creative industries, they also reveal significant challenges which individual co-operatives and the wider co-operative movement must confront for cooperativism to have a sustainable and inclusive future in the cultural and technology sectors.

Motivations to co-operate

The survey findings provide insight into why workers in creative industries pursue co-operation. Respondents ranked various reasons for their co-operative's existence, from "most" to "least" important. The five most frequently selected reasons from a list of options were: to support the well-being of members; to generate economic value for members; to make a positive impact on the world; to promote an economic alternative; and to create meaningful work. Respondents who provided answers other than those listed identified “creative freedom”, “cost-sharing”, “mutual support”, and empowering members in their careers as motivators, with one actor co-operative stating that the co-operative model gives its members “greater control over the work we choose to do”.

Two points can be drawn from the findings on motivations to co-operate. First, workers seem to pursue co-operation in a deliberate and constructive effort to escape prevailing cultures of work in creative industries. This was sometimes explicit in respondents’ comments. An arts co-operative, for example, stated that its members adopted the co-operative model as a “political statement against poor working conditions and (the) culture of competition”. A worker-owner at another cultural-sector co-operative explained in an interview how the co-operative model opened a space of possibility for taking transformative action in response to precarity in the arts, offering a “pragmatic approach to address these issues. It was like, there’s something we can do about it. We don’t just have to talk about it and bemoan our precarious positions”.

Second, workers in creative industries do not join or form co-operatives only to improve their personal working conditions. Instead, many are motivated by deep political commitments and wide visions of economic justice. Respondents expressed their desire to be part of an alternative organisation whose incentives and priorities are different from those of conventional capitalist businesses. One media co-operative, for example, noted the appeal of an organisation that is not motivated by “growth for its own sake”. Illustrative of the political consciousness and movement outlook of surveyed worker co-operatives specifically, another respondent commented that the co-operative model “allowed us to create a workplace that is an alternative to the extractive, undemocratic capitalist enterprise. And whilst functioning within capitalism, we, as the co-operative movement, build an antidote to it every day”.

Working conditions

A worker-owner captures the notion that co-operatives are formed in response to members’ needs when he remarked: “We’ve been really intentional in building the co-op: we’re not there to serve the co-op, the co-op is there to serve us”. A key measure of how well a co-operative serves its members is the quality of employment it provides. To gauge the degree to which co-operatives deliver sustainable alternatives to the precariousness and individualisation associated with labour in creative industries, the survey collected data on pay, benefits, and work satisfaction.

Pay is a decisive metric of whether co-operatives realise decent working conditions. The majority of surveyed co-operatives, approximately 55%, agreed that their pay levels meet or exceed standards for their industry, leaving a significant 45% that do not meet these standards. This lines up with another finding: 43.6% of co-operatives identified competitive remuneration as a challenge.

Table 1: Policies and employment benefits offered by co-operatives

Policy/benefit	Worker-owners	Non-member employees
Equity in hiring practices	87.2%	83.8%
Living wage policies	75.5%	73.7%
Conflict resolution processes	76.5%	69%
Paid holidays	75.5%	73.7%
Health benefits	39.6%	37.8%
Retirement savings	36.7%	32.4%

Another measure of co-operatives’ success or failure in countering labour precarity in creative industries is the protections and benefits available to worker-owners and non-member employees through their employment. Co-operatives were asked to indicate whether they provide specific employment benefits or have specific workplace policies in place for members/ non-members — see Table 1.

These results suggest that although creative-sector co-operatives often aspire to provide good working conditions, this may not always be possible in practice. Despite the survey's mixed findings on employment quality, one of the most striking survey results with respect to working conditions is that more than 90% of co-operatives reported being satisfied with their general working conditions; none reported dissatisfaction.

Cultures of co-operative work

Stable income was regarded by 21% of respondents as "not at all" a benefit of working in a co-operative. It is in the work culture of co-operatives — namely the social relationships within them — where co-operatives seem to have the deepest-felt impact on their members — see Table 2.

Some of these benefits, like self-expression and self-determination, align with the notion of autonomy that is often associated with cultural and tech work. While in these fields autonomy is often delimited to professional autonomy and artistic autonomy, the survey results point to the expanded politics of autonomy that co-operatives promise workers. Worker-owners highlighted worker control as a key benefit of co-operation: "Mostly, for us", stated one co-operative, "the clearest advantage [is] the absence of management or shareholders. We run our organisation". A tech co-operative similarly wrote: "We are in charge of our own decisions and don't have to answer to a boss". Findings suggest that co-operatives in creative industries successfully confront the lack of democracy in conventional workplaces: more than 90% of respondents agreed that democratic decision-making is a priority in their co-operative, and 86% agreed that they aim for consensus when taking decisions.

Table 2: Benefits of working in a co-operative

Benefits of working in a co-operative ("a lot" or a "great deal" responses)	
Friendly work environment	84.6%
Supportive work relationships	82.4%
Teamwork and co-operation	79.1%
Opportunities for creative self-expression	76.7%
Low hierarchies at work	71.4%
Work that has a positive impact on society	70.8%
Self-determination over working conditions	70.5%

This research reveals a specific dimension of worker control that is particularly valued by worker-owners in cultural and tech sectors: having a say over what projects or clients are taken on. As one member-owner commented in an interview, rather than having work imposed by a manager, "when we commit to work, it is all of us committing to a job". This dimension of worker voice in co-operatives has wider relevance amid escalating contention in Big Tech companies whose employees increasingly protest being tasked to work on projects to which they are ethically opposed. The co-operative structure seems to enable tech workers to not only access, but also co-define, "good work".

Findings suggest that co-operative work cultures are characterised by an ethos of care. An overwhelming majority of respondents expressed satisfaction with the level of support they receive in their workplace. Only 3.7% reported being dissatisfied with support. Related to the themes of mutual support and workplace democracy, the survey also posed questions about meetings in co-operative workplaces. Nearly half of co-operatives (48.9%) hold monthly all-member meetings and 63.3% hold monthly director meetings. In corporate culture, meetings are routinely dismissed as inefficient. In co-operative culture, meetings can be sustaining, making space for deliberation and for building meaningful bonds, not merely for transmitting information.

The survey findings also indicate the centrality of the co-operative principles to workplace communication. Nearly half of co-operatives, about 47%, agreed they discuss the co-operative principles “frequently” or “always”; 44% discuss them “sometimes”; and nearly 9% report they “rarely” or “never” discuss the co-operative principles. Notably, co-operatives that talk more regularly about the co-operative principles — a proxy for reflection on what it means to practice cooperativism — tend to also report stronger member engagement and increased participation in the wider co-operative movement.

The survey revealed another key aspect of cultures of co-operative work, co-operation among co-operatives, an area where co-operatives in creative industries show strength. A majority of co-operatives (67%) reported they co-operate with other co-operatives, from banking with credit unions to sharing resources, peer-to-peer support, and procuring services — 32.5% use technology created by other co-operatives, for example. Particularly promising are sector-specific co-operative networks, like the UK-based network of technology co-operatives, CoTech, whose members provide training, pass on work, and team up on bigger contracts. CoTech (https://www.coops.tech/) is one manifestation of mutual aid, which the survey results reaffirm as a pillar of co-operative culture.

Diversity and equity

While cooperativism holds potential to realise alternatives to individualised, competitive ways of working in the cultural and tech sectors, the survey results suggest that access to this potential remains structured by divisions of race, gender, and class. Co-operatives described their membership composition on a spectrum from “not at all” to “extremely” diverse, revealing these co-operatives are more diverse with respect to age and gender than race: 18.9% of co-operatives reported low gender diversity; 29.5% reported low age diversity; and a majority reported low racial diversity, with 52.6% of co-operatives describing themselves as “slightly” racially diverse, and 18% selecting “not at all” racially diverse.

As these findings show, co-operative businesses are not immune from the social inequalities observed across the creative industries workforce. The survey found, moreover, that unpaid member labour is considered the most important non-economic support resource for co-operatives when they are getting off the ground. This finding doubles as a reminder that intersectional privileges, including access to personal economic resources and time free of caring responsibilities, shape who can participate in developing co-operative projects in the cultural and tech sectors (Sandoval, 2020).

The survey results make clear that more must be done so that co-operatives in creative industries are accessible to and retain racialised worker-owners and non-member employees. A worker-owner at Story 2 Designs, a people-of-colour-led co-operative (closed as of June 2022), noted the need to promote the co-operative alternative among Black workers in tech, who, pushed out of their corporate-sector employment by anti-Black racism, may see their options limited to moving into either new employment only to confront the same challenges, or solo employment. In terms of new co-operative formation, Schor (2016), in a discussion of platform cooperativism and social exclusion, writes:

> If platform co-ops are to succeed without reproducing their own more privileged class, race, and gender homogeneousness, founders and early participants must be highly attuned to subtle social dynamics that valorize the practices and traits of dominant social groups. Furthermore, they must stop those dynamics from developing. Practically speaking, achieving that probably means starting with a diverse group of founders and early participants — at the very least on the social dimensions of class, race, and gender (p. 42).

One strategy for confronting structural inequalities in co-operatives is demonstrated by VALU, a unionised co-operative of art workers (https://www.valucoop.ca/). To counter the homogeneity that can be perpetuated by informal practices of member recruitment, this co-operative’s policies restrict each member to recommending one new member and require that at least half of the co-operative's members are Black, Indigenous, or people of colour: "If you don't do that right off the bat", says one VALU member, "you never get there, because you build a culture that is not friendly".

Notably, analysis of survey results revealed a positive correlation between member diversity and discussion of the co-operative principles. This could be read in divergent ways: the more frequently a co-operative engages the co-operative principles, the more likely it is to be representative and inclusive; or, co-operatives that are more diverse from the outset reflect on the co-operative principles more consistently. In either case, this finding suggests there is a reciprocal relationship between member diversity and regular, internal reflection on the co-operative principles.

Challenges of cooperativism

While the survey findings reveal some of the rewards of working co-operatively, they also show that starting and sustaining alternative businesses in the creative industries is not easy. When co-operatives were asked about the challenges they face, cash flow was the most frequently selected challenge (54.2%), raising questions about their financial viability. The cash-flow challenge could also be set next to another survey finding: 54.7% of co-operatives did not have a business plan in place. This may reflect a culture of informality in some co-operative businesses in these sectors; a tendency further indicated by the finding that only 63.6% of the co-operatives have formal job descriptions.

The second most frequently selected challenge (44.8%) was affordable workspace. Less than 10% of co-operatives reported they own their own facilities; the majority rent. The affordable office challenge reflects, in part, the clustering of creative industries in costly urban centres. Another challenge is affordable technology. When asked to identify additional technology challenges, co-operatives rated their dependence on technologies made by Big Tech and the lack of availability of co-operative-made technologies as most challenging.

Another set of challenges particularly affect the prospects of the formation of new co-operatives in creative industries. To gauge co-operators' perspective on the necessary conditions for more co-operatives to emerge, respondents were asked to rank priorities for furthering co-operative formation. Similar to a consultation carried out by Innovation, Science and Economic Development Canada (ISED, 2019), educating the public about the co-operative model was most frequently rated as "most important" to spur co-operative formation. After building public knowledge of the co-operative model, the next most important factor, according to respondents, is improved access to funding. The survey findings suggest that co-operative development support is an additional challenge. When co-operatives were asked to rate the importance of various sources of non-financial support in their first few years of operation, only 10% of co-operatives rated co-operative developers/consultants as an important source of support. And tellingly, if unsurprisingly, start-up incubators were reported to be the "least relied upon" source of non-financial support, reflecting the marginalisation of the co-operative model in the dominant tech ecosystem (see Borkin, 2019, p. 37).

Conclusions

Four implications for cooperativism can be highlighted from this survey. First are research implications. As Schwettmann (2020) writes, "co-operatives are not 'better' just because of their name or statute; they must prove their merits through tangible action" (p. 51). Research that seeks to inform and support advocacy for co-operative formation as a strategy for advancing economic and social justice among workers in the cultural and tech sectors must be grounded in robust evidence of co-operators' material conditions. Systematically collected evidence of co-operatives' pay and benefits, worker voice, and policies for confronting social inequalities is essential to this task.

Second are implications for co-operative practice. The number of co-operatives that lack business plans and job descriptions is suggestive of a tendency toward informality in co-operatives in creative industries, which, while perhaps an understandable reaction to the bureaucratisation of work, runs the risk of hindering co-operatives' economic sustainability and working conditions. The research also reveals the benefits of reflecting on the co-operative principles within co-operatives.

Third are implications for co-operative development. Creative industries are a growth area for new cooperativism: more than a quarter of surveyed co-operatives have been in operation for less than five years. This research provides fresh talking points for promoting the co-operative advantage to workers in the cultural and tech sectors, particularly that 90% of respondents are satisfied with their general working conditions and that the co-operative model has the potential to give workers a collective say over what clients and projects their business takes on. Another implication for co-operative development flows from the finding that co-operative models must be put on the agenda of incubators, cultural hubs, and other key sites of new business formation in creative industries to displace sole proprietorship as the default option.

Fourth are political implications. The survey findings on co-operators' pay and benefits were mixed. That co-operatives do not magically overcome the generalised precarity of work in creative industries is, in part, a reflection of the competitive market pressures on co-operatives under capitalism. By the same token, these findings suggest that realising more sustainable livelihoods in co-operatives in the tech and cultural sectors cannot be detached from struggles to protect and improve universal social protections. On this point, it is noteworthy that a small but not insignificant number of surveyed co-operatives (20%) are union co-operatives, a key strategy of a cooperativism that seeks linkages between democratic businesses and complementary organisations and movements for building workers' share — and power.

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Acknowledgements

This article draws on research supported by the Social Sciences and Humanities Research Council of Canada and the British Academy.

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