

The Phalaborwa printing co-op: born out of war

After bitter struggles against mining companies, police and Renamo, dismissed mineworkers decided to establish a co-operative. KATE PHILIP, co-ordinator of co-ops at NUM, describes the struggles that led to this decision.

The National Union of Mineworkers started organising at Foskor in Phalaborwa in early 1984. "During that time it wasn't so simple to organise workers," explains Charles Ramahlalerwa, former shopsteward chair from Foskor, and now chair of PAWCO. But by late 1984, the NUM had organised majority support at key mines in the region.

Workers strike to free Ramaphosa

In late 1985, Cyril Ramaphosa, NUM General Secretary, visited the region to meet with worker representatives. During the meeting Lebowa police detained him. "Those of us in the office scattered in all directions to find workers coming off their shifts - to all the bus routes and taxi ranks. Workers said they would never go to work until he is released,"

explains Stanley Matebula, a former Foskor shopsteward, who is now secretary of PAWCO.

Ramaphosa was released later that day - but shopstewards were unable to get the message to all workers in time for their next shift, because many had gone home. Three-hundred-and-eighty-nine workers who did not arrive for work were dismissed.

In a court settlement, Foskor management agreed to reinstate the workers when they had vacancies. But they failed to keep the agreement. NUM members at Foskor continued to struggle around the reinstatement issue. On 12 December they decided on a three-hour work stoppage, during which they stayed at the hostel. Foskor management gave workers a 12 noon deadline to be back at work or face dismissal. But only half the usual number of buses ar-

rived to fetch them from the hostels.

Workers refused to board, because they saw this as a tactic to divide them. By the time all eleven buses arrived, time was running out. And when they arrived at Foskor's entrance, management had set up a road-block of road-graders and caterpillars, and security was out in force. They told the workers the buses could only go in one at a time.

Angry workers walk home

Workers were convinced this was a trick. "We were quite sure and aware that only two or three buses can get in before the deadline. Workers were very angry. They alighted from the buses, and just started to march back to Namakgale on foot. The police were escorting us and trying to persuade us to board the buses to take us back to the

hostel. But even though Namakgale is far, and there were some old men, and it was raining, workers refused."

When they arrived at the entrance to the township, Lebowa police ambushed them. "We tried to say no, we are not fighting, but if you try to explain something you get a sjambok. Workers were beaten, many were injured, we were all forced to scatter and seek refuge in the community." Later that day, workers regrouped at the hostel, and decided to go on strike.

Community feeds strikers

"After the first three days management realised that now we are serious, and they stopped supplying us with meals, and started to charge workers R1,50 for a plate of food. It was then that we had to rely on support from the community. The community realised that we are not wrong, and in fact the mine has wronged many people in the community. So when people came to speak to their relatives at the fence we told them not just to bring a small plate of food, but to bring a huge pot of porridge for everyone to share. Even people without relatives were bringing food to us. And the businessmen donated bread and fruits so we didn't go hungry."

Every day, management threatened workers with dismissals if they did not return to work by certain deadlines. "Some workers started to be afraid, when they heard these



things on the loudspeaker - and not everyone can be brave. Some of them have been cowards since the day they were born. So we decided we have to sing at all times, so when management announces their threats on the loudspeaker, not even the cowards can hear what they are saying. So we sang the whole day and the whole night in shifts."

After seven days in which no amount of threatening seemed able to break the spirit of the workers, the police adopted a new strategy. "They started to attack the members of the community who were supporting us with food, sjambokking and preventing them from reaching us."

Strike settled, new strike

Finally after ten days, workers agreed to mediation with management. Their demands were for the reinstatement of all workers, and the recognition of the union. They lost both these demands, but they did win reinstatement for the workers who took part in the ten day strike.

However when they returned to work, five key NUM shop stewards were transferred to work chopping bushes in the mountains. They

were guarded by armed security guards, as if they were convicts. This continued for a number of weeks. One day, one of the workers was separated from the rest for being 'cheeky'. He was assaulted, and his hand was broken. When an attempt was made later to separate another of the workers, they refused. They were dismissed. The next day the Foskor workforce clocked in and then downed tools, demanding the reinstatement of the five.

That night, Foskor workers joined workers from Phalaborwa Mining Company (PMC) in a meeting. Police arrived to disperse the gathering, fired teargas into the crowd and then opened fire, killing a worker.

War in Namakgale

This incident sparked a war in the Namakgale community. Police recruited the assistance of Renamo soldiers from their secret training camp nearby. But for the people of Namakgale it is no secret that South Africa has been training Renamo to wage war on Mozambique. They are used to uniformed Renamo soldiers throwing their weight around in the township.

The police and soldiers ran amok in Namakgale. Two people were killed, some lost eyes, others were left with broken limbs. The community was outraged. Even the school-children said, "We can't go to school while we are being harassed."

Then on March 14, police

opened fire on people returning from a night vigil for those killed, and Renamo bandits killed a member of the Namakgale Youth Congress (NAYCO). A week later, the Lebowa police and Renamo bandits surrounded the Lutheran church where NAYCO was holding a meeting. A sixteen-year-old girl was shot dead, scores were wounded and 29 youths were arrested. That night, Renamo bandits attacked the hotel, where the owner, a UDF supporter, had allowed youths to take refuge. A youth congress member was killed by a Renamo hand-grenade in the incident.

That night the youth struck back in defence of their community. Two policemen's houses were burnt down, a Renamo bandit was killed and Mercedes Benz cars owned by Renamo soldiers were burnt and used as road-blocks to prevent police and Renamo vehicles moving freely in the township.

"Then the Renamos went to a village called Lulekane, because they had heard we were hiding there. They threw a hand-grenade, killing five people and injuring others." Two more died on their way to the hospital.

Stayaway leads to dismissals

Against the backdrop of this township siege, NUM workers supported the national stayaway call on May 1. The entire Foskor workforce of 1 800 workers was dismissed. After negotiations

with the NUM, management agreed to reinstate - but when workers arrived, 390 were turned away.

"It was clear in our region that the NUM was not wanted by management, and we did not think we will get our jobs back. So we started to look at the idea of a co-op, no matter that some didn't believe in it. But some of us did understand that if we can operate the promised co-op, it will help to strengthen the union in our region, and help us to support our families - no matter how the salary may be, even if it's not fixed or monthly." ☆

Workers in control at Phalaborwa

So the idea of starting a workers co-op was born out of the war in Phalaborwa. A group of former Foskor shopstewards were the motor force behind the establishment of the Phalaborwa Workers Co-op (PAWCO). The NUM

NEC backed the idea of setting up a co-op, and on the basis of T-shirt sales within the union, it seemed that there was a sufficient market for a T-shirt project. But setting up the project was not an easy task. Workers were scattered and many were trying to find work - although this was disheartening: "If you look for a job, you'll never find one if you were dismissed from Foskor. They just think you are a terrorist."

The dismissed workers continued to hold regular meetings to discuss and plan the establishment of the project. It was decided that the initial project membership would be open to those who regularly attended meetings.

Where to start?

In September 1987, the carousel T-shirt printer was bought, and workers went to Johannesburg for training by the supplier. The training lasted three hours. "When the machine arrived in Phalabor-



Co-op members set up the carousel before starting to print

Photo: NUM

wa, we had to ask ourselves who is going to connect it? We phoned the company to get the instructions. But where to start? We discussed how to do it, and looked at our notes, but it was tough - very tough. When we managed to connect it we tried to print, but it wouldn't come. But we kept trying. We were pulling hard. There was a lot to be done, and we didn't have our own transport - we just used our own few cents to get quotes for electricity, plumbing and carpentry.

"By this time we were 25, because the news had gone out that the machine had arrived. We needed a plumber but members resolved not to just rely on other people - we've got our own hands - let's take a spade and dig ourselves.

Lazy workers discharge themselves

"Then when we started digging, some workers were lazy, and refused to dig the hole. So when we'd finished, we met, and we decided those workers who were lazy had just discharged themselves from the co-op. Because we had resolved together that we all have to dig, that we have to do the work ourselves, and not wait for someone else to do it for us."

Members from PAWCO then visited the Sarmcol Workers Co-op to get advice. In March 1988, they started production, nearly three years after workers' dismissal from Foskor. PAWCO started with fifty members, working on a



PAWCO members sing to welcome SARMCOL Co-op workers who have come to discuss future relations between the two co-ops and to offer assistance.

Photo: NUM

half-time basis to share the available jobs.

In the first few months, PAWCO experienced many of the problems that so often limit the economic viability of co-op projects. "When we look at the difficulties in setting up a co-op, we can start with capital, and secondly we come to skills. These two are the major problems - know-how as to what to do, how to plan - those are the difficulties we face, and those are big."

Lack of management skills

Production was often held up through lack of planning; raw materials would run out before new stock was ordered, and the co-op had no system for invoicing customers and no strategy for debt collection. At first many of the members saw their responsibilities only in terms of producing, not in terms of these other aspects of the overall control of the enterprise.

"Payment was difficult to come. We found we keep on printing T-shirts and sending them to the regions but little money came back. And if some came back, it was not the whole amount."

These problems all come from the lack of management in the co-op. Members had experience of fighting management's authority in the mines, but not of building a democratic alternative; and the organisational skills learnt in trade union struggles did not equip workers with the skill needed to run a co-operative.

Wages cause tensions

As a result of these problems, PAWCO was unable to generate enough income to pay wages. The issue of wages caused many tensions in the project. Not all of the members were clear that wages had to come out of the income earned by the co-operative.

"Some members were saying the committee should go to Jo'burg to demand wages from NUM, as if NUM was our employer. And many were pointing fingers at the executive, saying 'We produced many T-shirts this month, now what did you do with the money?' And when it came to deciding what to share between us, some members just wanted to divide everything in the account, not thinking how much will we need to buy T-shirts and paints for the coming month?"

The decision to work in the co-operative had not been an active political choice for all the members. Some joined simply because they had no other options. Such members were not always committed enough to shoulder the extra responsibilities needed to make the co-op work.

In addition, the decision to work half-time to share the jobs available, made it even more difficult for members to survive off the income from the co-op, and members were suffering. At the same time, there was not enough work for everyone to do.

PAWCO starts to tackle problems

In October 1988, the co-op started to tackle all these problems. Firstly, PAWCO members identified education as one of their key priorities: "We are really in need of education. We need co-op education for the members, we need skills training for the committees, we need much education. Even now we can-

not say we can run this co-op."

A series of co-op education programmes and planning workshops were run with the project. One of the important aims was to make sure all the members understood the relationship between how many T-shirts were produced, the costs of production, the income the co-op could expect, and the wages that it would be able to pay. Members started to see

just doesn't come back to the co-op. So now, if a region has an order for T-shirts, they must arrange accommodation for one comrade from the co-op, to come with this order, and then he stays there, sells those T-shirts, and deposits the cash. We have eight members out in the regions doing sales on a full-time basis." This has dramatically improved PAWCO's sales returns.

PAWCO members also



Co-op members watch a demonstration of quality control.

Photo: NUM

the link between production targets, and different potential wage rates. And they also came to understand that it is no good producing without selling - and that nobody besides the co-op members themselves was going to chase customers who had not paid.

So PAWCO developed a marketing strategy which uses the over-supply of labour in PAWCO in a productive way: "We found that workers are buying many T-shirts in the regions, but the money

decided that their structure was an obstacle to efficient management. The co-op had nine committees, with five members on each; so forty-five out of fifty workers were committee members.

Instead, PAWCO now elects three people to each of the following committees: marketing, production, finance, welfare and education. The chairs of these committees make up a Co-ordinating Committee, which is the day-to-day management structure in the co-op.

Building unity and collective responsibility

Along with these practical strategies, PAWCO has emphasised building unity and collective responsibility in the co-op. These measures have paid off. Since the start of 1989, PAWCO has been financially self-sufficient; it has paid back the loans given by NUM, it has paid wages consistently, and the wage rates in the co-op have steadily increased. Workers earned an average of R400 a month over the last five months, and were able to pay themselves R1 000 Christmas bonus. All 50 members now work full time.

"We share our wages equally but we share them according to hours. At the end of the month, we go to the bank and see how much is there. Then we check the expenditure and the income and the outcome; we see we are owing so much to this company and so much to that one, this customer has not bothered to pay us, and of course we must leave something in the bank for reserve. Then we say okay we can afford to pay R2 an hour. Then we work out how much each person can share, according to the hours they have worked."

Members are earning more than the current minimum on the mines, and significantly more than on the farms, which is the other main employment option in the region. But earning a living wage remains an important target of the co-op. "We do believe we will get there some day," says PAWCO's Chair.

A member of the Welfare Committee explains:
"The co-op has taught me unionism; it has taught me to work with other people in co-operation. And it has tried to upgrade my knowledge through discussion, through the way in which we are working in the co-op. It means if I was still in Foskor, I am sure I would not speak in the right way that I am now speaking. Even the feelings I've got are not the same. Before maybe I would be afraid of practising something but now it has become less, less, less. I think the co-op is upgrading me - I'm going up and meanwhile my problems are just going down."

"Something beyond money"

"In checking with comrades whether they would go back to the old narrow work that is known as being employed, if they had the option, comrades are saying it would be a drawback for the struggle for them to go back. The co-op doesn't only offer money, it offers a sense of being involved in the struggle and pushing the struggle forward ... There is something beyond money that we get here."

Members rate the control they now have over their lives as a strong advantage of work in the co-op. A member of the Education Committee explains:

"I feel it is very, very nice to be a member of the co-operative. Because I'm working nicely, I'm controlling myself, I haven't got any boss - my boss is only the job that I'm doing. And then I've got a lot of time on my hands... There is freedom and you are responsible for your life. You can use your time the way you want to use it and you earn on the basis of that time. So the theme that is right to develop is the question of responsibility."

Disciplinary code - building spirit of co-operation

PAWCO's attempt to build a sense of collective responsibility and respect for each other is clear from the disciplinary code they have drawn up. This code gives standard penalties for things like drunkenness, absenteeism and theft, and these are strictly dealt with; but the



The 1989 Co-ordinating Committee of PAWCO

Photo: NUM

code also identifies offences that are seen to break down unity and the spirit of co-operation in the co-op. Co-op members see that certain attitudes can be just as destructive to the co-op as late-coming or loafing.

"When the co-op started, we had that problem of tribalism which the co-op sat down and decided to do something about. And when we spoke, we decided that we should all unite as one person. We shouldn't discriminate amongst ourselves on the basis of tribalism. And then we agreed that a person who is found insulting another on the basis of his tribe, that person will be disciplined."

There are also penalties for insulting another co-op member while on duty, for undermining decisions of the committees, for intimidation, and for fighting between members.

According to a member of

the Education Committee: "Frankly, relationships and the atmosphere that you see, which is more healthy here, goes a long way. We think that the basic point where it starts is with discipline, and the rules laid down by the members as the co-op has developed."

Personal and social well-being comes first

Disciplinary issues are handled by the Welfare Committee, and the co-op had developed ways of mediating conflict and dealing with social problems faced by members, within an overall framework of disciplinary guidelines. But concern for the emotional and social well-being of the members comes first. A member of the Education Committee explains:

"The Welfare Committee is committed to your personal life. If you have a problem at home, you go through the

Welfare Committee and explain why you want two days, or three weeks, or one month off. Then they will discuss with you and find out whether it is necessary for them to help you with a loan or in some way...And if a member is a latecomer, the Welfare Committee will not just discipline them, they will first discuss his personal problems at home, to understand that he has this and this reason for latecoming, which they will understand." * ☆

Production Co-ops - some strategic questions

KATE PHILIP assesses the issues faced by trade unions involved in co-op development in SA. She argues that production co-ops should not become a welfare strategy - this undermines their economic and political potential.

NUM has learnt many valuable lessons from PAWCO. These have helped us to develop our co-op strategies in Lesotho, the Transkei (SA), and Swaziland. But these experiences also raise broader questions and challenges that need to be widely discussed.

A number of COSATU affiliates have become involved in co-op development, and a

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sector of co-ops is therefore emerging with direct links to the trade union movement. This link makes the South African co-op movement different from that in other countries.

Co-op movements in other countries have developed alliances with the trade union movement, but they have seldom been structurally linked to the trade unions. In South Africa too there are many co-ops which are not linked to trade unions.

However, this link has the potential to become a political strength for both the co-ops and the trade unions. At the same time, it raises new issues that need to be discussed.

So far, the trade unions involved in co-op development have mainly focussed on the role of *production* co-ops, which have been seen as having the potential to create jobs for workers faced with dismissals or mass retrenchment. In this article, I look at some of the contradictions and challenges this strategy creates for the trade union movement.

Job creation , with a difference.

Production co-ops do have the potential to create jobs on workers' own terms. They can provide an alternative to the authoritarian control and exploitation of work in the factories and mines, because workers get the opportunity to build democratic forms of ownership and control of the means of production - even if it is only inside individual produc-

tion units, rather than at a social level.

In the process, the unions have expected to learn practical lessons about building democratic control in production. They hope these lessons can be used both to strengthen the potential of a co-op sector in a future mixed economy, as well as to provide insights into aspects of workers control of production under socialism.

However, for co-ops to do this, they need to be economically viable enterprises, able to survive in the competitive capitalist context of South Africa today.

For NUM, co-op development is also part of our strategy against the migrant labour system. NUM argues that workers will be forced to continue migrating to the urban areas until they can find jobs in the rural areas. Co-op development in these areas can make some contribution to creating such alternatives, in a way that empowers workers and their community.

Co-ops can play these economic and political roles; but we need to develop a clear analysis of their limitations - because the process of setting up co-ops can also divide workers, and create political contradictions for the unions involved. The role of co-ops in job creation raises some particularly difficult organisational questions.

Firstly, co-ops cannot create a large number of jobs. Most retrenchments or dismissals involve hundreds or thousands of workers. But production co-ops are not

mass organisations. There are very few in South African today with more than 50 members.

Secondly, co-ops need skills. It takes months of research, organisation, and training to set up a co-op, and several more before it can generate an income for its members. Special skills - and experience - are needed to develop management that is democratic and is also efficient. And it requires a lot of resources from the unions to assist each co-op.

At this stage, there is a shortage of the skills and infrastructure needed to support co-ops on a large scale. But the biggest obstacle limiting the potential of co-ops to create jobs on a mass scale is the shortage of capital. NUM's experience is a good example. In the 1987 mineworkers strike, 50 000 workers were dismissed. Of these, 20 000 workers were not selectively reinstated by management. Many of these workers looked to NUM to create jobs for them by setting up co-ops.

But to set up any enterprise, you need capital; and co-ops are no exception. The Small Business Development Corporation has estimated that it costs at least R2 500 to create one job - and this does not include the costs of training.

It often costs more to set up co-ops than capitalist companies, because workers have to learn management skills as well as production skills. But if we use the SBDC's figure, then to create jobs for the wor-



The problem of unemployment - but the creation of jobs should not be the main reason for starting a co-op

Photo: Steve Hilton-Barber/Afrapix

kers dismissed in the 1987 strike, NUM would need to raise at least R50 million!

In 1988, 50 000 more jobs were lost through retrenchments in the mining industry alone. From these figures, it is clear why the 1989 Cosatu Congress motion on co-ops says: "Co-ops cannot create jobs for all. To do this, we need the political power to restructure the economy, and to use the wealth of the nation to serve the needs of the people as a whole."

The trade unions therefore need to guard against raising unrealistic expectations among workers about how many jobs the unions can create by setting up co-ops. The unions cannot afford to shoulder responsibility for job creation, and raising such expectations can create serious

organisational problems for us.

So, establishing co-ops should never be seen as the main way to resist retrenchments or dismissals. These struggles and the struggle against unemployment must be rooted in a broader political and economic challenge aimed at capital and the state. It is *their* policies that have created the problem, and at present, they monopolise the power and the profits needed to solve it.

Co-op wage policies

The second key issue that needs discussion is the question of co-op wage policies. Sometimes, co-ops take on more people than they actually need for production, to create more jobs. This lowers the wage levels for all the

members.

Some people argue that this is necessary, because it is better for co-ops to provide a subsistence income for as many workers as possible, rather than a living wage for a few.

This is a serious issue for debate. Tens of thousands of trade union members are being shuttled off to the bantustans and neighbouring states, with little chance of future employment, no means of subsistence, and no welfare provisions provided by the state.

Under these conditions, there is pressure for as many people as possible to share the income created through co-op development. Where unemployment is the grim alternative, workers may decide to spread the benefits by

pushing co-op wages well below what they would have accepted in the mines or industry.

A co-op set up on these terms is really filling a gap created by the abysmal lack of welfare provisions for unemployed workers. While this gap clearly needs to be filled, it is questionable whether production co-ops are the best way to do this. And in fact, this strategy can undermine the co-ops potential to succeed both economically and politically.

Economic viability

Co-ops have to be economically viable enterprises, able to survive competition from capitalist companies. This means they have to be able to match the quality and prices of goods produced by capitalist companies - but usually with less sophisticated machinery, and without the skills and infrastructure that capitalist companies have on their side. In these conditions, production co-ops often face an uphill struggle to survive.

If the co-op employs more workers than are needed in relation to its production output, it will find it difficult to keep its prices at market levels, and still cover its costs. As a result, it will be difficult for the members to earn more than a low-level subsistence income, or even to be sure of a wage every week. This has a number of political and economic consequences for the co-op:

- Co-op members may resort to self-exploitation to secure a survival wage; they may end up working longer hours than unionised workers would accept, for the same starvation wages paid by the bantustan factories which the trade unions are fighting.
- Where co-op members are living hand to mouth, it is less likely that the members will see expenditure on safety in the workplace as important. It also becomes more difficult for members to accept the need for reserve funds or for expenditure on the maintenance of machinery. Debates over such issues also have the potential to cause tensions between leadership with a more long-term view, and members who may be facing immediate financial and family pressures.
- These and other pressures can also lead the more skilled members in the co-ops to look for other jobs. Subsistence-level survival is no long-term solution for workers; it can only be seen as a temporary and undesirable situation. The more skilled members of the co-op will more easily find other jobs, and as a result, the co-op will struggle to develop a layer of skilled membership.

Yet building a viable worker-controlled sector of the economy requires the development of many skills.

This is necessarily a long-term process, and can only take place if there is a continuity of membership and leadership.

So if co-ops draw in more members than are really needed, it becomes less likely that they will ever become truly self-sufficient; instead, they may become dependent on outside funding. This can in turn distort the relationship with the trade union, which may hold the purse strings for such funding - either directly or indirectly.

Political problems

In addition, such conditions can jeopardise the political potential of co-op development. Where co-op members are barely winning the struggle for survival, it is not uncommon for a kind of economism to develop in a co-op. Democratic control, skills development, member participation, broader political engagement and the development of the human potential of the members all take a back seat to narrower priorities of production and survival.

In addition, where co-ops are battling for survival, the trade unions may be faced with serious differences between the conditions of work that have been won by their members in the mines and factories, and the conditions of work of their members in the co-ops. In addition, the conditions of work in the co-ops may resemble conditions in the deregulated businesses that COSATU is fighting.

This has the potential to

create a political contradiction for the trade unions. Capital is encouraging deregulation and is fighting minimum wages on the basis that such measures stifle job creation.

They recognise the unemployment crisis is threatening political stability and therefore also profits. The short term solution is to provide greater welfare benefits - but capitalists refuse to contemplate this for the simple reason that it would mean substantial taxation of their profits.

Instead, they are pegging their hopes on strategies of job creation based on deregulated small business development, where workers are unprotected and earn well below union rates. They argue that any job is better than no job at all. But the creation of jobs on these terms also has a number of advantages for them.

Dangers of deregulation

Firstly, it lessens the pressure for capitalists to use their profits to pay for adequate welfare for the unemployed.

Secondly, these deregulated small businesses are harder for the trade unions to organise and they can undercut union wage rates and the existing safety standards. The creation of such a "second economy" would also mean big business could cut their costs and increase their profit by sub-contracting some of their production to these small businesses. The result would be more retrenchments, and a further weakening of the power of the unions on the

factory floor.

The job creation strategies developed by the trade unions must take this broader battle with capital into account. Co-satu is fighting deregulation; we must therefore ensure that our own strategies of job creation do not inadvertently strengthen capital's arguments.

The need for clear aims

This means that we need to be clear about our aims in building co-ops, and distinguish between different levels of our strategy. At one level, there is a need to create jobs.

But we face enormous limitations in doing so on a mass scale, and as a result, thousands of people are faced with the more immediate issue of survival. These are two aspects of the same problem; but this doesn't mean the same organisational strategies can be applied to both situations.

If our co-op development strategies are aimed at *job creation*, then the challenge we face is to build production co-ops that *challenge* capital's deregulated model. We must build viable and productive units that not only create jobs that equal minimum trade union standards, but that do so under workers' control, allowing workers to reach their full human potential in the ways that PAWCO is starting to do.

This is a long, slow process; and in the short term, this strategy holds out direct benefits for only a limited number

of workers, for the reasons already explained. However, it does have the potential to provide a sound economic and political base for the growth of a viable co-op sector in the long term.

On the other hand, if our priority is to contribute to the subsistence of the largest possible numbers of unemployed workers, then it is doubtful whether *production* co-ops are the best starting point for this process. In fact, as explained, the attempt to use production co-ops as a strategy for survival can undermine both their economic and political potential.

Instead, we need to discuss the potential of related but less ambitious forms of collective and co-operative organisation, that take account of the resources we *do* have at our disposal, but are realistic about our potential to mobilise capital, and to develop the skills base required. This requires creative thinking; and a closer look at pre-co-operative forms of organisation, as well as secondary and service co-ops.

NUM is grappling with these issues at present; while we are continuing with our job creation strategies, we are also exploring other forms of organisation, of the kind that can involve large numbers of people in collective activity, and assist in the struggle for survival. ☆