

# CONTENTS

- \* **Numsa Workers Build Co-operatives**
- \* **Cosatu on Co-ops**
- \* **How did the idea of Co-ops start**
- \* **East Cape Co-ops**
- \* **SAWCO A Workers Co-operative**
- \* **Numsa National Meeting for Co-ops**

# NUMSA WORKERS BUILD CO-OPERATIVES

*Interview with Cde John Gomomo  
NUMSA East Cape Regional Chairperson*

There are two main co-operative activities that are supported by NUMSA. The one is SAWCO in Natal and the other is the project that is starting here in the East Cape. Does NUMSA have a policy on co-operatives?

NUMSA in its Central Committee has taken a decision to support co-ops. But NUMSA is still busy thinking of how we can formulate a policy on co-operatives. We are working towards such a policy.

So what is NUMSA's aim in giving support to co-ops? In other words, how can organised workers benefit from the support that NUMSA is giving to these co-op activities?

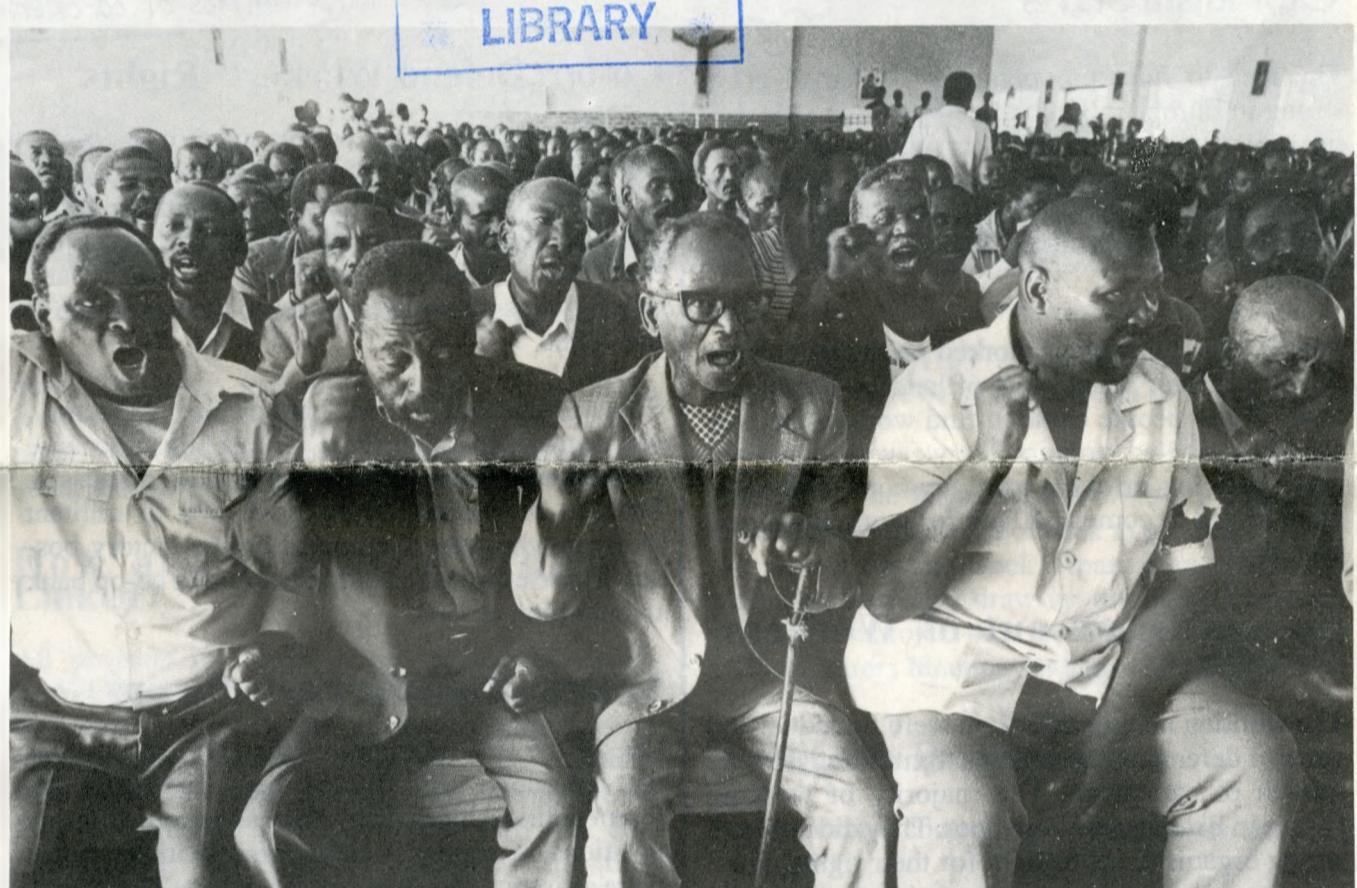
We, the organised workers on the shop floor are becoming more and more mobilised and politicised. We do not believe that the struggle should just end on the shop floor. The struggle of organised workers should also benefit the community. Co-operatives is such an activity that can be of interest to all groups of oppressed people. We, the organised workers with all the skills we have gathered in the organisation, we believe that if we take the lead, co-ops could be fully democratised organisations in the community.

So, are you saying that co-operatives can be an example for all working class people? That they can learn from these co-ops?

Yes. Working class people can learn from co-ops how to handle their own affairs democratically. For example in a co-op the members would have full access and control over the finances of the co-op. They will be able to learn how to use the co-operative in the best interest of all the people in the community.

Some people say that co-ops can show the way forward for a future South Africa. What is your opinion?

I believe that co-ops can play a role if they are linked with the struggle of organised workers, who have the aim of changing the society. If co-ops are there during that process, workers would already be raising questions about the kind



SAWCO strikers meet

*Photo: Cedric Nunn, Afrapix*

of society they want. They would already be learning some skills they would need. But it is clear. Co-ops themselves can't change the system of the state.

There are also some people who say that co-ops in a capitalist society just have to fall back into becoming small businesses. They can't be examples of democratic worker controlled enterprises, because the pressure from capitalism is so big, that it will force them to change. Actually, co-ops simply teach workers to become small capitalists. What is your opinion?

The NUMSA supported co-operatives have taken precautionary measures against such problems that can occur by building careful structures. Organised workers must participate and take the lead in the committees that are going to build the structures of the co-ops. Co-operative structures too, have to put into practise workers democracy and worker control. All people who are in management positions would have to be accountable to the workers of the co-operative

through the structures. In the end, it would have to be these workers, through their structures, who would have to see to it that a co-operative does not lead to a small business or the strengthening of capitalism.

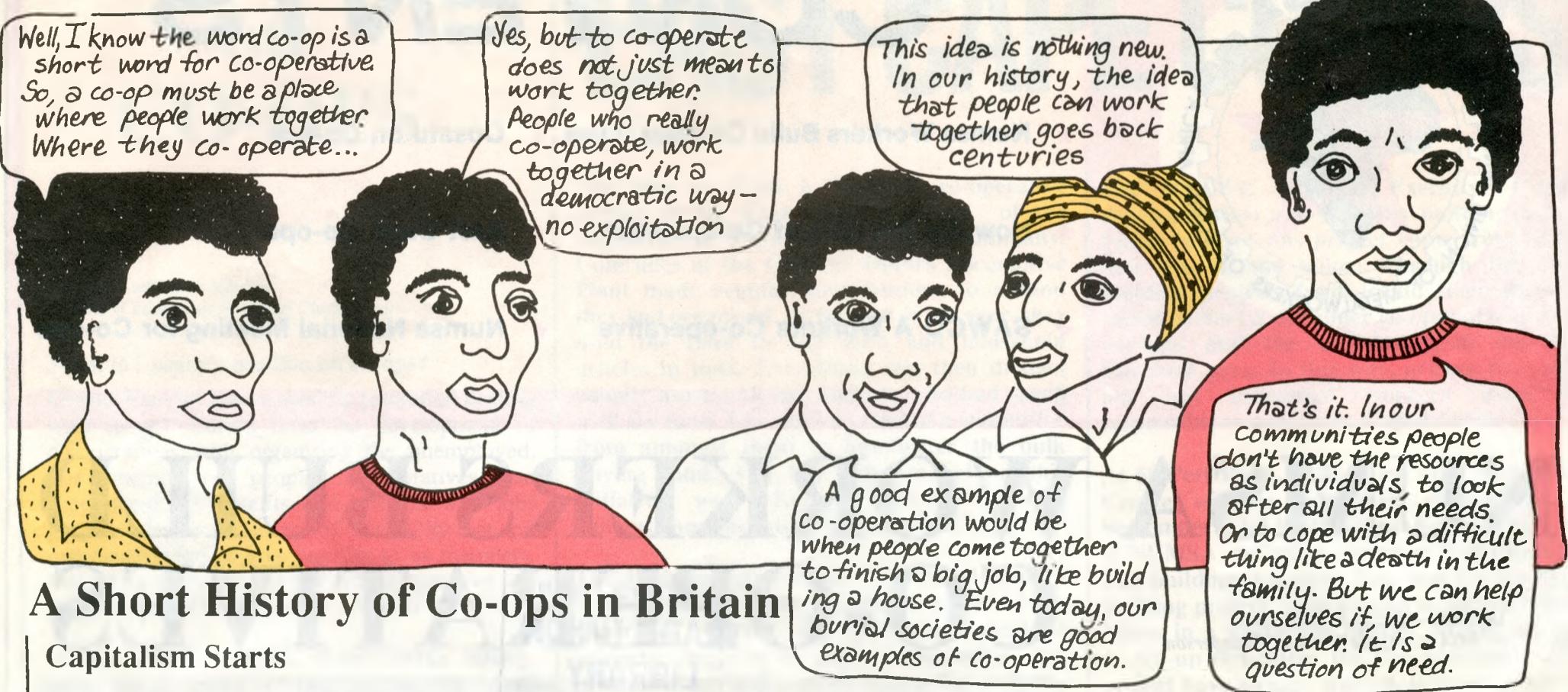
Do you think that it is possible for democratic co-ops to survive economically and to create a surplus?

With the support of organised workers, I believe strongly that co-operatives have a much better chance of survival than taking chances like the business people are doing now.

How do you see NUMSA developing its support for co-ops?

NUMSA still has to formulate its policy on co-operatives. This is important. Also NUMSA must continue to give strong support to the moves by NUMSA supported co-ops to build structured links between them. We have to support those structures. We also have to educate our members to develop an understanding of what co-operatives are all about.

# HOW DID THE IDEA OF CO-OPS START?



## A Short History of Co-ops in Britain

### Capitalism Starts

The idea to form co-operatives started to grow strong in Europe more than 150 years ago. At that time mines and factories were starting. Soon factories began to grow fast. New ways of mining also developed. In Britain capitalists were beginning to build railway lines for the new factories and the mines.

People who had always worked on the land, were forced off their small plots of land by harsh new laws. These people came to find work in the new factories. Skilled workers like weavers, could not make a living on their own anymore. They too, were forced to come and look for work in the new factories.

### Co-ops Grow out of Workers' Struggle.

The working people of Britain were forced to find ways of defending themselves from the aggressive growth of capitalism. The majority of working people in Britain were very poor. They did not have strong organisations to fight for their rights. For a long time there was a law that tried to stop workers from organising trade unions. Working people also did not have the vote. So they could not influence the laws of the country. Organising co-ops was one of the ways workers in Britain, and in other parts of Europe, defended themselves.

### Co-ops Defend Workers' Rights

Some of the very early co-ops were food co-ops. They started because workers faced serious debts in factory owned food stores. Food in those stores were also often of poor quality. As early as 1769, the Fenwick Weavers started a co-op store. Many other groups of workers followed their example in the 1800s.

Some co-ops that produced goods like in a factory, also started. Many of these co-ops began because workers took over factories after mass dismissals because of strikes. Or to give jobs to militant workers who were victimised by the factory bosses. There even were attempts to start a co-op bank to help fund co-ops.

### Lessons from the Early Co-ops

One of the first problems of the early co-ops was that the people who formed them, had many different political ideas. They also came from different positions in society - some were workers, some were artisans, some were farmworkers. There were even some bosses amongst them. We can see that all these groups would not always have the same interests. Soon there was conflict among the different groups.

For example, some co-ops did not grow out of the struggles of working people. There were a few businessmen like Robert Owen, who wanted to make the life of workers under capitalism easier by starting co-operatives. They built factories and townships with better working conditions and housing for workers. They hoped to change capitalism in this way.

But, some co-ops also changed the way in which they were first organised. They started competing with capitalist companies in order to survive. Many of these companies were taken over by capitalists in the end.

Some co-ops survived to this day. Some of them are the early food stores. They united to form larger societies and to link food stores to wholesalers.



# SAWCO

## A Workers' Co-operative

**SAWCO, is in Howick in Natal. This Numsa supported co-op is now three years old.**

### How did SAWCO start?

SAWCO first started in 1985. Then it was a support project for the striking workers at BTR Sarmcol. The bosses of BTR dismissed 960 workers who were on strike for union recognition. The BTR strikers could see that their struggle was going to take a long time. They recognised the need to keep their strike united. And so SAWCO was formed.

### What are the Projects of SAWCO?

- ★ SAWCO members organised the distribution of food parcels to strikers. Out of this activity a Bulk Buying Project has grown.
- ★ SAWCO members leased land from the local Catholic Church to support an Agriculture Project. Here workers wanted to grow vegetables to supplement their food parcels.
- ★ The SAWCO members also started a project that prints T-Shirts for unions and progressive organisations.
- ★ And they started a Health Project to monitor the health of the strikers and their families.
- ★ A newsletter, called SAWCO Update was formed. This newsletter writes about the activities of the strikers, their community and the union.
- ★ The BTR strikers from SAWCO also started a play, The Long March to spread the news of their struggle.

Today, three years later, all these projects are growing stronger under SAWCO. The play project has expanded to include young women from the striking community. They formed a singing and dancing group: The Sisters of the Long March. The strikers also started a new play, which is called Bambatha's Children.

The T-shirt printing project has recently bought new machinery. They hope to improve the number of T-shirts that they can print per day with these new machines. The machines have also helped to make the work of printing quality T-shirts much easier. And unlike machines that the bosses put in their factories, these machines have not resulted in the loss of jobs for workers in the T-shirt printing project.

All SAWCO projects are supported by a central administration project and an educational programme.

In the education programme SAWCO members learn about co-operatives in other countries and



SAWCO members receive weekly food parcels

Photo: Cedric Nunn, Afrapix

about different economic systems. Also, each project organise training for its members to improve the knowledge and skills of all members about the work they do.

### How are SAWCO's Projects Linked?

All projects in SAWCO are represented on a SAWCO Central Co-ordinating Committee Meeting. In addition, elected representatives from the communities where the strikers live, together with SAWCO Office Bearers, come to this meeting. All members of the SAWCO staff (the administrator, the SAWCO educator and the production planner for the T-shirt project), also attend this meeting.

The staff have speaking rights in all the meetings but cannot vote. The Committee meets every two weeks. One of their most important jobs is to approve the monthly budgets of all the projects.

The office bearers of SAWCO, and SAWCO staff hold the SAWCO Office Bearers Meeting every week. This meeting discusses general issues of SAWCO as a whole and is responsible for the day to day running of SAWCO. The Office Bearers also form a sub-committee, the Finance Committee. They monitor and approve monthly budgets. The final approval of budgets is then made by the Central Co-ordinating Committee.

A Membership General Meeting of all the SAWCO project members and elected representatives from the communities where the strikers live, is the highest decision making body of SAWCO. SAWCO also maintains links with NUMSA through the NUMSA structures in the local and the region.

This meeting elects the office bearers of SAWCO (A chairperson, vice-chairperson and a treasurer). But to ensure that SAWCO members control their

co-op, the SAWCO constitution says that only members of SAWCO projects can be elected as office bearers.

In each of the projects of SAWCO, a Planning Committee meets once a week to plan the work of the project for that week. Apart from production planning, they also draw up the budget for their project. The project then presents the budget to the Office Bearers Meeting for approval.

### SAWCO's Principles

- ★ democratic control by workers over decision making
- ★ the development of individual and collective abilities to their maximum potential, but without the small business objectives of private gain
- ★ the division of surplus according to needs
- ★ the elimination of all division of labour which hinders democratic worker control of planning and production
- ★ no discrimination on the basis of race, sex or religion
- ★ a commitment to a worker controlled co-op movement.

### Lessons for Today

In the words of the SAWCO chairperson, Phillip Dladla, SAWCO is an example for workers today that workers can maintain a strike for a long time. Through their work, SAWCO members have formed a core of workers who have managed to keep their strike together for three years.

SAWCO also is an example for all workers of democratic worker controlled production. If the experience of co-ops is to serve the workers movement, then their mistakes and successes must be discussed and understood by organised workers. The example of SAWCO, raises important questions for workers today about the kind of future they want.

# COSATU on CO-OPS

Interview with Cde Mkalipi  
COSATU East Cape Regional Chairperson

## What is Cosatu's position on co-ops?

Cosatu does not have a specific resolution dealing with co-ops. Cosatu links the development of co-operatives with organising the unemployed. For unemployed people, co-operatives can supplement the benefits that workers with jobs get from their trade unions. It is a reality that any organisation has to give benefits to its members. For the unemployed, the job in a co-operative and the skills learnt there, is such a benefit.

## Does Cosatu see all co-operatives falling under the umbrella of NUWCC?

At the moment there is no clear position on this issue. Where other unions are involved in organising co-operatives, perhaps a link should develop over time - when the unemployed union is operating properly. But there should be respect for internal union structures. Clearly there would be a need to share ideas and programmes widely, especially where co-operatives are successful. But whether all co-ops should be co-ordinated under the NUWCC, Cosatu still has to decide.

## What is NUWCC?

NUWCC stands for the National Unemployed Workers Co-ordinating Committee. At present it is a project of the Cosatu head office. But it is hoped that this committee would eventually form a union for unemployed workers. It would then seek affiliation to Cosatu, just like any other union. The NUWCC is also involved in organising unemployed workers into co-operatives in some areas.

# EAST CAPE CO-OPS

The idea to form a NUMSA co-operative project in the East Cape grew out of the initiatives of workers at a local company. Comrades at the General Motors Locomotive Plant made regular contributions to a fund they had organised. At the end of the year, they used the fund to buy food and household articles in bulk. Everything was then divided equally among all the workers who had saved with the fund. The workers elected a committee from amongst them to administer the bulk buying fund. The key activists behind this initiative were Koos Magielies, Thobile Dungwa, and the late Cde Eddie McCarthy.

The initiative of workers at General Motors was discussed in the structures of NAAWU. Comrades started to talk about culture projects, projects to repair housing in the townships and many other ideas. Towards the end of 1986 the Management Committee of the union began to meet regularly to discuss the issue. Soon seminars were held to debate the idea of co-operatives to look after and defend their needs outside the shop floor. This was how the plan to form a co-operative project started in the East Cape.

Such a plan had to find answers to many questions. How could the union start a co-operative project? Where would the money come from? And how would the project fall under the democratic control of workers? These and many other questions faced the comrades. But the comrades' plan answered all these questions. They said that the co-operative project must be firmly linked to the union. The project must try to be independent of money from outside the union. Workers themselves must take the lead in the structures of the project.

The NAAWU National Executive Council decided to start a co-operative building project. Funds to start this project came from money that was in the union. Through the co-op building project, funds could then again be raised to start a consumer co-operative to serve workers and the community in the Port Elizabeth area. In this way, neither the union, nor any individual workers would be responsible to pay if any project failed.

At 50 Perl Road, in Korsten, the Co-operative Centre will be completed at the end of September. This building will become the home of NUMSA and other unions in Port Elizabeth. The building is a giant first step for the co-op building project. Soon a co-op supermarket will follow in a warehouse nearby. Moves to begin to set up structures for this consumer co-op project have already started. Interested worker leaders from all the NUMSA factories in the PE area have been attending regular meetings and seminars about co-operatives. Eventually Numsa hopes that the consumer co-op would include workers from all factories in the Port Elizabeth area.

*Watch this newsletter for more information about the consumer co-op! Forward with NUMSA supported co-ops!*

# NUMSA NATIONAL MEETING FOR CO-OPS

## FORWARD WITH A DEMOCRATIC CO-OP MOVEMENT

Some people think that co-ops can solve problems, such as unemployment. Or that co-ops can build the road forward for a future South Africa. Other people say co-ops can never be anything else but small businesses. There are also people who say that now is not the time to organise co-operatives. The broad democratic movement has more important and immediate tasks.

For all these reasons NUMSA sees that it is important that there is not only talk around co-ops. Workers must develop a clear understanding of the value of co-operatives in the struggles of workers and the progressive movement. This understanding must be based on analysis of the real situation.

It was for this reason that NUMSA called a national meeting of NUMSA supported co-ops. On 11 and 12 June 1988, co-op members and co-op activists from SAWCO in Natal and the co-op project in the East Cape, met in Port Elizabeth.

At this meeting the two projects agreed on regular national meetings. The projects would also have specialist meetings where the activities of the two projects overlap or can support one another. Over time the meeting saw the need for projects to develop structures at all levels, local, regional and national.

There was also much discussion on what the links between the co-ops and NUMSA should be. The meeting emphasised the need for the NUMSA CC to develop clear guidelines on co-operatives.

The meeting made a commitment to the development of education on co-operatives within each project. But everyone emphasised the need for education and information on co-ops through the structures of the NUMSA Education Programme. The meeting also confirmed the need for research and information on co-operatives in South Africa and in other countries.

The meeting made a commitment to drawing up guidelines for a common set of principles.