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**A modern tragedy: The failure to enlist group
entrepreneurship and workers' cooperatives in the battle
against unemployment and poverty**

by

Gary B. Hansen

Utah Center for Productivity and Quality
Utah State University
Logan, Utah 84322-3555

Introduction

Three of the most serious issues facing developing countries and the newly emerging democracies of Central and Eastern Europe are: (1) finding jobs for the unemployed; (2) locating alternative employment for redundant workers in privatized and state-owned enterprises; and (3) fostering entrepreneurship and developing new employment-creating business enterprises. The intractable problems of unemployment and insufficient economic growth to provide employment and income-generating opportunities have caused untold misery and abject poverty for many people living in those countries; and the end to these problems is not in sight. High levels of unemployment also afflict many industrialized market economy countries in Europe and North America.¹

In November 1996, an ILO study reported that global unemployment stands at "grim" levels, especially in Europe. World unemployment rose in 1995, and unemployed or underemployed persons last year totaled one billion, or about 30 percent of the world's work force, compared to 820 million in 1993 and 1994.²

Given the severity and persistence of the above problems, it seems reasonable to use all available tools, resources and techniques to cope with them. Yet, surprisingly, one important organizational tool for generating jobs and income--workers' industrial cooperatives--has not been enlisted in the battle against unemployment. Why not? This paper explores some of the reasons for this oversight and suggests what can be done.

The Cooperative Development Response to Unemployment and Poverty

For more than four decades, international development agencies, the cooperative movement and many governments have promoted cooperatives as a self-help means for poor people in developing countries. The rationale and justification for this cooperative development work was first set out by the International Labour Organization (ILO) in Recommendation 127, adopted in 1966. Recommendation 127 states that: "The establishment and growth of co-operatives should be regarded as one of the important instruments for economic, social and cultural development as well as human advancement in development countries."³ Since that time, cooperative development scholars have elaborated this rationale at considerable length.⁴ The United Nations General Assembly and UN Economic and Social Council have also used it in their reports and resolutions stressing the importance of cooperatives for socio-economic development in developing countries.⁵ With the recent collapse of communism in Eastern Europe, cooperatives have been advocated as part of the economic restructuring needed in that region.⁶

Notwithstanding the endorsement and promotion of cooperatives as instruments of economic, social and cultural development by the ILO and other international

development agencies such as the FAO, USAID, UNDP and World Bank for nearly forty years, the 1990 World Development Report estimated that more than 1.1 billion people in the developing world, nearly one-third of the total population, live in absolute poverty with a per capita consumption of less than \$370 per year. Equally serious, the great majority of the poor live in rural areas, the areas where most of the cooperative development work has taken place.

Despite the valiant efforts of so many for so long, the worldwide poverty and unemployment problems are getting worse, not better. Perhaps it is appropriate to ask whether the traditional approaches to development and, more specifically, the traditional approaches to cooperative development being pursued by the ILO and other organizations are adequate or well-suited to meet the challenges of the 1990s. In other words, is it possible to design new and more effective roles for cooperatives to increase their employment and income impacts on target groups? If so, how can new employment-creating roles for cooperatives be implemented and promoted in developing countries and Central and Eastern Europe?

Cooperative Promotion for Employment and Income Generation

A review of cooperative development literature and ILO project reports leads one to conclude that cooperatives have been promoted for purposes other than employment creation.⁷ Historically, the primary forms of cooperation promoted in developing countries have been *client-owned cooperatives*,⁸ especially agricultural supply and marketing cooperatives and, to a lesser extent, credit cooperatives and consumer cooperatives. Furthermore, most cooperative development projects have been directed towards the needs and concerns of people in rural areas. Very little cooperative development project activity or promotion of client-owned cooperatives appears to have taken place in urban areas. Until recently, there has been little cooperative development activity directed at the informal sector, and virtually no promotion of *worker-owned cooperatives*⁹ has occurred in rural or urban areas.

In almost all cases of cooperative development reviewed, employment creation has been incidental, a by-product of the provision of services to the cooperative's producer or consumer members. This is not to say that cooperatives have not created considerable employment nor that they have not enhanced their members' incomes; they have done both. But employment creation has not been the primary objective of cooperative development efforts.

The conspicuous lack of ILO technical assistance programs and projects to actively promote worker-owned industrial cooperatives, the type of cooperative most able to directly generate new business enterprises and employment, is surprising when the basic ILO mandate specifies that employment creation is one of its core concerns and its reports have called for this employment creating response for a number of years. For example, a June 1992 report from the Director-General to the 79th Session of the International Labour Conference states that cooperatives offer special enterprise and job-

creation advantages in developing countries undertaking structural adjustment programs and in countries rejecting centralized economic planning. The report notes that, "The ILO's task will be to promote policies and programs that encourage the enterprise spirit and the establishment and development of enterprises and cooperatives with a view to creating jobs."¹⁰ A 1990 ILO report on the promotion of self-employment states, "Although co-operatives create and offer some type of employment (especially consumers' co-operatives), it is the [worker-owned] industrial co-operatives that have as their prime goal the creation of employment for their members."¹¹

It can be argued that the ILO Entrepreneurship and Management Development Branch and International Training Center of the ILO have responded positively to part of this "establishment and development of enterprises and cooperatives" task by setting up the "Start Your Business" (SYB) training program aimed at small business and the "Know About Business" (KAB) training package for use in vocational education and training institutions.

The ILO SYB materials and training program were developed in 1991 to compliment the "Improve Your Business" training program in Fiji. Subsequently, to meet the great demand for SYB in eastern and southern Africa an SYB pilot program was conducted during 1994 and 1995. The SYB training program assists people in developing countries who wish to start their own businesses. It uses participatory training methods and brings together the basic theory, relevant information and practical activities important for starting a business. The end result of the training is a feasibility study for a potential business, in a form which can be presented to a credit institution.¹²

The recently developed KAB package comprises a set of training materials for entrepreneurship education.¹³ It was designed for use in vocational education and training institutions. The specific objectives are to create awareness of enterprise and self-employment as a career, develop positive attitudes towards enterprise and self-employment, provide knowledge about starting and operating a small business, and prepare participants to work productively in small and medium enterprises. At a broader level, the overall objective of the KAB is to contribute "toward the creation of an enterprise culture."¹⁴

Unfortunately, there has not been a similar ILO response to systematically promote group entrepreneurship and worker cooperatives. Just imagine the difference it might make to employment and enterprise creation, and poverty alleviation in the developing world, if the ILO COOP Branch and International Training Center of the ILO were to obtain the same level of resources and organize their staffs to launch a dynamic "Start Your Group Business" (SYGB) and "Know About Group Business" (KAGB) training programs and packages with the overall objective to contribute towards the creation of a "group enterprise culture." Such a program and training materials could be designed to create awareness of group enterprise as a career option, develop positive attitudes towards group enterprise and worker cooperatives, provide knowledge and practice of the required attributes and challenges for starting and operating successful

group enterprises, particularly worker cooperatives, and prepare beneficiaries to work productively in these types of enterprises.¹⁵

The question of why the ILO is not actively promoting group entrepreneurship and workers' cooperatives for employment-creating purposes was raised again in 1993. Several speakers at the 80th Session of the International Labour Conference voiced their dismay over the failure to give greater emphasis to workers' cooperatives in an Office report on the ILO's role in technical cooperation prepared for the June 1993 Conference. The report of the Committee on Technical Cooperation summarized their concerns in these words:

Other speakers highlighted the unique contribution of workers' cooperatives that dealt with a wide range of vital workers' needs. They felt that the Office report should have given greater emphasis to this important category of voluntary organizations because of their unique contribution to job creation and generally to social and economic development.¹⁶

The above two ILO statements and the recent request at the 80th Session of the International Labour Conference that "this important category of voluntary organizations" be given greater emphasis seem to provide a strong mandate for the ILO to promote employment-creating workers' industrial cooperatives to help solve the intractable problems of unemployment and poverty in developing countries and, more recently, in Central and Eastern Europe. But the ILO and other international agencies concerned with development, unemployment and structural adjustment have, for the most part, failed to enlist and actively promote them for this purpose. Stated another way, the employment potential of workers' cooperatives has been neglected or ignored by the ILO, the cooperative movement, and development practitioners alike. Why?

A review of the cooperative and economic development literature suggests one possible explanation: ***The neglect of group entrepreneurship and workers' cooperatives results from a narrow set of cooperative and development priorities that focus primarily on agriculture, favor client-owned cooperatives, and are prejudiced against worker-owned cooperatives because of faulty information. These biases and prejudices appear to be common in both the cooperative movement and the international development community.***

The cooperative movement and development community share long-standing philosophies, operational approaches and biases to development that have steered the interests, resources and program development activity of the ILO, development banks and international donors, International Cooperative Alliance (ICA) and other cooperative development agencies toward rural areas and agriculturally related client-owned cooperatives and away from urban areas, rural non-agricultural (and industrial) employment and enterprise creation. Consequently, cooperative and economic development responses have ***not*** been directed toward those sectors, groups of people or

types of cooperatives that are most conducive to direct employment creation. In short, they have not been directed toward group entrepreneurship and worker cooperatives.

Three examples should suffice to illustrate these points.

First, numerous documents and a major ILO report on rural employment promotion point out that the agricultural sectors in developing countries cannot absorb the growing numbers of people seeking work, yet little effort has been directed at creating non-agricultural jobs in rural areas and promoting rural industrialization. The 1988 ILO report on rural employment promotion aptly summarizes the situation: "In short, it can be said that...not much concerted effort was made to develop rural industries in developing countries in the past...And yet the potential of rural industrialization for generating productive employment is large and the area deserves attention."¹⁷ It appears that this recommendation has been ignored.

Second, the 1991 Report of the Director General to the 78th International Labour Conference acknowledged that for many years policymakers have ignored the informal sector "in the hope or belief that it would go away."¹⁸ The report goes on to state that there is a growing recognition of the positive role that the informal sector plays in national economies, and that "well-targeted programmes of support to the informal sector can be far more cost effective in terms of employment promotion, poverty alleviation and output than certain large-scale programmes of investment in and support of the modern sector."¹⁹ This report and the subsequent report of the ILO's Committee on Employment specifically indicate that cooperatives, including workers' cooperatives, should be promoted actively as a means to help generate employment and income for people in the informal sectors of urban areas in developing countries.²⁰ Yet, it appears that the ILO has not proposed or executed any cooperative development technical assistance projects to promote cooperatives in the urban informal sector.

Third, considerable misinformation about industrial workers' cooperatives and undeserved prejudice against them permeates the cooperative movement and development community. Part of the reason is that many of the professional staffs, cooperative leaders and development officials have received their cooperative information and professional training in institutions dominated by academicians who are prejudiced against workers' cooperatives. A recent experience demonstrated the extent and deep-seated nature of this prejudice.

At an international meeting convened by the ILO in 1993 to discuss the future role of cooperatives in development, a leading academician in the cooperative field and several influential cooperative leaders from developing and industrialized countries made disparaging comments about workers' cooperatives. They stated that workers' cooperatives make insignificant contributions to employment and are not important enough to consider in discussions about the future directions of ILO cooperative development.²¹ Only a spirited defense at the meeting by others with a better understanding of the potential of workers' cooperatives to generate employment and

economic development prevented all references to them from being deleted in the final report and recommendations of the group.

A well known international authority on cooperatives and development reflects this same prejudice against workers' cooperatives in the 1992 edition of his book that is often cited to verify that the potential of cooperatives to promote economic development has been researched thoroughly. Because that author does not believe worker cooperatives are capable of making an important contribution to self-help promotion in developing countries, he devotes only 5 of the 210 pages to the special aspects of what he calls "productive cooperatives" and dismisses the value and potential of worker's cooperatives with the comment that "these have so far not been very successful in practice."²² His book focuses primarily on client-owned cooperatives and their roles in development.

Although the author of this cooperative development book acknowledges that interest in worker-owned forms of enterprise has increased because of the need to find solutions to unemployment and the desire to provide new forms of business enterprises in which employees participate in ownership, he does not deem these issues of sufficient importance or relevance to warrant further exploration and discussion as part of cooperative development.²³ This perfunctory dismissal of worker cooperatives is all too common in the cooperative and development literature.

Group Entrepreneurship, Workers' Cooperatives and Employment Creation

Despite the fact that many individuals and organizations providing academic and operational leadership to the international development community and cooperative movement do not consider workers' cooperatives important enough to be included in their efforts to foster economic development and employment creation, others have not been reticent about their use. In fact, the use of group entrepreneurship and workers' cooperatives to systematically create employment, income and enterprise ownership for workers and their families has been successfully demonstrated over many years.

For example, over 2,000 INDUSCO (worker-owned industrial) cooperatives, were organized by two Americans, a New Zealander, and a group of Chinese to provide employment and income for 30,000 refugee workers between 1938 and 1945 during the Sino-Japanese War.²⁴ Nehru was so impressed by this dynamic economic development approach using group entrepreneurship and systematic worker cooperative incubation that he used them in India to help generate employment and economic opportunity in the 1940s and 1950s. The Basques in northern Spain, the Mondragon group, have used them to provide employment for over 26,000 worker-owners for nearly 40 years.²⁵ Since the 1970s, workers' cooperatives have been used in other areas of Spain to generate jobs and income during times of high unemployment, eventually leading to the creation of 124,000 jobs (1990) for worker-owners and sales in excess of \$6.4 billion.²⁶ Workers' cooperatives in France, Italy, Canada, Britain, the United States, Latin America and developing countries also have achieved many successes in recent years.

Although it has been acknowledged but not fully explored or documented, the phenomenal success achieved by small businesses in the Emilia-Romagna Industrial District in Northern Italy in generating “an increase of exports, a growth in the gross regional product, and high levels of employment” over a quarter century can be attributed in large part to the worker cooperative form of enterprise and the services provided by the Cooperative League and National Artisan Association. As one scholar who studied the region noted, the strategies applied by all the institutions of Emilia-Romagna, including the cooperatives, were “[s]ignificant to this success.”²⁷ Clearly, the group entrepreneurship and inter-firm cooperation developed and practiced in Emilia-Romagna represent unique and successful forms of cooperative enterprise.

In the mid-1980s, after many years’ experience working with the rural poor in India, Father Michael Van den Bogaert and his colleagues at the Xavier Institute of Management in Bhubaneswar developed the concept of “group entrepreneurship projects” as a means to facilitate rural industrialization and alleviate rural poverty. Their approach, which is being successfully promoted in several areas of India, uses a specially designed non-governmental organization to assist groups of poor people to organize jointly-owned businesses and other productive activities through pre-cooperative forms of ownership and organization.²⁸

As social theorist George Benello so aptly put it, until Mondragon, it was easy to write off industrial workers' cooperatives "as marginal and unrealistically utopian or ventures with limited applicability, totally irrelevant to the task of affecting any sizable portion of an existing economy. This can no longer be said, and hence both state socialist and capitalistic arguments for its dismissal are given the lie."²⁹

When promoted effectively, incubated systematically (which means organizing a development mechanism to facilitate their incubation and operation), and given the same levels of support provided to other types of cooperatives (specially tailored to their unique needs), worker cooperatives can be thriving business enterprises that provide substantial employment and income for their members and communities.

Unfortunately, too many leaders in the cooperative movement, cooperative scholars in the academic community, and the international development organizations continue to ignore the employment- and income-generating potential of systematic group entrepreneurship and worker-owned cooperatives.

A Brief History of Opposition to Worker's Cooperatives

Why have the ILO and other international development agencies, cooperative scholars and the cooperative movement ignored the employment-creating potential of workers' cooperatives and group entrepreneurship? A brief historical review of workers' cooperatives suggests that the answer is both simple and complex.

In 19th century England, the Rochdale Pioneers organized successful worker-owned cooperatives; and in Germany the followers of Schulze-Delitzsch promoted them for people "who were not able to survive as individual entrepreneurs."³⁰ However, the expanding consumer cooperative movement in Britain and credit and other client-owned cooperatives in Germany soon overshadowed them.

The hostility of influential British writers Sidney and Beatrice Webb was a major contributor to the decline of workers' cooperatives.³¹ They were outspoken foes of worker ownership of business enterprises, and their writings gave workers' cooperatives a bad image throughout the English-speaking world. The Webbs advocated trade unionism as the appropriate vehicle for workers to achieve industrial democracy, and they helped steer the British trade union movement towards socialism and state ownership of business enterprises. The implacable opposition of the Webbs, trade unions and the client-owned Cooperative Wholesale Society to worker-owned cooperatives resulted in the withdrawal of support and interest in this form of enterprise in Britain. The result, according to cooperative scholar A. F. Laidlaw, was that "two generations of co-operators were brought up to believe that workers' productive societies were doomed to failure and would never amount to much."³²

After the Civil War in America, the Iron Molder's Union and Knights of Labor made some efforts to start workers' cooperatives, but these new enterprises could not overcome the instabilities of their support organizations, a hostile economic and political climate, opposition from the more conservative craft unionists and the competitive challenges of growing capitalist enterprises. By the end of the century, the trade unions, under the leadership of Samuel Gompers and the American Federation of Labor, discarded the principles of cooperation and opted for a policy of "business unionism" which accepted the capitalist system of ownership and advocated collective bargaining as the means to obtain a share of the fruits of production for workers.³³

As a result of these adverse developments, by the beginning of the 20th century the trade unions in Britain and America had abandoned all interest in promoting worker ownership. In Britain, the trade unions were firmly opposed to workers' cooperatives. In America they were either apathetic or opposed to this form of ownership. The cooperative movements in Europe and North America also rejected worker-owned cooperatives and embraced client-owned cooperatives as the principal form of cooperative to be promoted. All their support, resources and leadership were directed to expanding these client-owned forms of cooperative enterprises. Without any encouragement and support, worker-owned cooperatives languished.

In 1924 an attempt was made to reverse the cooperative movement's disapproving position vis-a-vis worker-owned cooperatives, but it failed. At the 1924 Congress of the International Co-operative Alliance (ICA) held in Ghent, Belgium, Albert Thomas, the first Director-General of the ILO, made an impassioned speech asking the ICA to support a resolution establishing labor limited and workers' cooperatives "everywhere technical conditions allowed." Thomas further argued that it was advisable to "entrust co-operative

groups of manual and intellectual workers with the free but responsible management of the branches of their enterprises that can be technically isolated from their commercial and financial management, and that in this way give even private enterprises the example of an organization of labour in agreement with the workers' deep yearnings."³⁴ After considerable debate, Thomas' resolution was brought to a vote and defeated soundly.

The negative and lasting consequences of that defeat to world cooperative development are still being played out in the policy decisions of the cooperative movement and international organizations such as the ILO, in the focus of technical cooperation programs, and in the directions of cooperative development in developing countries, the newly emerging democracies of Central and Eastern Europe, and elsewhere.

It was not until the 1970s that the ICA's position on worker-owned cooperatives began to change. The ICA approved the organization of the International Committee of Producers' and Artisanal Co-operatives (CICOPA) to bring together workers' cooperative groups and other cooperators interested in this form of cooperation under the ICA umbrella. Equally important, the ICA published the writings of cooperators like A. F. Laidlaw and others who are sympathetic to worker-owned cooperatives. In Laidlaw's report, *Co-operatives in the year 2000*, written for the XXVIth ICA Congress in Moscow in 1980, he said: "One of the most significant and far reaching changes in the world cooperative movement in the last two decades has been the rehabilitation of the entire concept of workers' co-operatives. From a position of benign neglect during seventy-five or more years, they have returned to a place of high esteem in the mind of many co-operators, and much can be expected of them in the remaining years of this century."³⁵

Subsequent events have shown that Laidlaw was too optimistic and somewhat premature in his assessment. In 1997, few cooperators and cooperative scholars are prepared to return workers' cooperatives "to a place of high esteem." But, despite the biases and prejudices of many cooperative leaders and scholars, the importance and value of worker-owned industrial cooperatives are being recognized *outside* the cooperative movement.

Renewed Interest in Workers' Cooperatives and Employee Ownership

Beginning in the early 1970s, a resurgence of interest and support for workers' cooperatives and other forms of worker ownership and participation have resulted from the search for greater economic democracy in Europe and North America and for solutions to increasing unemployment rates, plant closings and other socio-economic problems at the community level in many industrialized countries.

A new generation of scholars and activists outside the cooperative movement have taken an interest in workers' cooperatives. These individuals are seeking answers to worldwide unemployment and poverty problems and want to foster economic democracy and new opportunities for economic development for poor people and disadvantaged

groups in urban and rural areas. They are discussing, researching and writing about economic democracy, worker participation, self-management, worker ownership, community development and other related issues. In addition, they are creating new organizations, starting new journals and newsletters, holding professional meetings, and establishing support organizations and networks. These people are expanding the research and information bases, raising the level of understanding about the employment generating role and potential of workers' cooperatives, and dispelling the myths that have permeated the cooperative movement and dominated the cooperative literature for many years.

Governments are also responding to the new interest in worker cooperatives and employee ownership by passing legislation to regulate and promote the growth of these enterprises. In America, in 1974 Congress passed the Employee Retirement and Income Security Act which has increased interest in employee ownership and its expansion through Employee Stock Ownership Plans (ESOPs). Several states in the U.S., beginning with Massachusetts in 1982, have also passed laws to facilitate the creation of Mondragon-type workers' cooperatives. During the past twenty years, Spain has been organizing Labour Limited Companies (LLCs), an associative form of business concern, in response to their economic crisis which began in 1972. As LLCs have gained in importance, a special law (Law 15/86 governing Cooperative Stock Companies) has been enacted to register them.³⁶ In Britain, a national Cooperative Development Agency was created in 1978 to promote the development of the cooperative sector and, specifically, the organization of workers' cooperatives.³⁷

Equally important, the labor movements in North America and Western Europe have changed their position concerning workers' cooperatives and other forms of employee ownership. For example, in the past decade growing numbers of trade unions in Canada and the United States have begun to promote ESOPs and other forms of employee ownership, including the organization of workers' cooperatives, as a means to create jobs, preserve jobs and facilitate industrial restructuring through worker ownership and control. Several major unions promote these types of projects by providing information, technical assistance, financial support and venture capital.³⁸

Problems Resulting From Many Years of Neglect and Disapproval

Notwithstanding the growing interest and positive responses of trade unions, governments, and others to employee ownership in recent years, the cooperative movement, the development community and international agencies supporting cooperative and other forms of enterprise development have been reluctant or unwilling to promote workers' cooperatives. The major cooperative groups and development community operate in an environment almost devoid of any understanding or appreciation of group entrepreneurship, worker-owned cooperatives and other forms of "cooperative-type" employee ownership. Consequently, they have little substantive knowledge about them, little experience with them, and little interest in promoting them.

In 1990, K. H. Patil, Chairman of CICOPA-ASIA, made a perceptive comment regarding the continuing neglect of worker-owned cooperatives by the cooperative movement, the ILO and others when he said: "The emphasis on cooperative development all these years has been on the agricultural cooperatives and consumer cooperation, and the mass of producers and artisanal cooperatives have not received due attention at the national and international levels."³⁹ Equally serious, the ILO and other international development agencies have devoted little intellectual effort and staff resources to conceptualizing the contribution worker-owned cooperatives can make to development and designing strategies and technical cooperation projects to accomplish this objective in a variety of rural and urban settings.

Some problems resulting from the long years of neglect and disapproval of worker-owned cooperatives are:

- ◆ ***resistance to new ideas and approaches to cooperative development.*** Traditional approaches weigh heavily on the cooperative leaders and development professionals who should be the most concerned about promoting cooperatives for employment purposes. Their world view is circumscribed by biases favoring client-owned cooperatives and models of cooperative development that do not include promoting group entrepreneurship and large scale employment creation through worker-owned cooperatives.
- ◆ ***inadequate cooperative legislation to support the development of viable modern worker-owned cooperatives in many countries.*** Most cooperative legislation has been designed for client-owned cooperatives and fails to include suitable provisions for worker-owned cooperatives. A recent review by an ILO expert of national cooperative laws in a number of developing countries confirms this fact.⁴⁰ Steps need to be taken to change this situation.
- ◆ ***ill-equipped cooperative agencies in developing countries to effectively promote group entrepreneurship and workers' cooperatives for employment development purposes.*** Most cooperative development departments lack the interest, expertise, resources, and understanding to effectively promote workers' cooperatives. The consequences of this situation and its adverse impact on the development of workers' cooperatives has been documented by Peter Abell in his research on this subject.⁴¹
- ◆ ***insufficient knowledge and a lack of suitable strategies to promote workers' cooperatives and systematic group entrepreneurship in developing or industrialized countries.*** There is no coherent body of literature and no carefully designed strategy which can be used to harness group entrepreneurship and systematically incubate workers' cooperatives to generate employment and income as part of economic development efforts. Virtually no information about the unique group entrepreneurship process or special development mechanisms needed to systematically incubate worker cooperatives is available, and few existing worker-

owned cooperative education and training materials are suitable to meet this need. (It should be noted that thousands of pages and hundreds of documents and training manuals have been written about client-owned cooperatives and their promotion as part of international development strategies.)⁴²

An example of the neglect of workers' cooperatives by the cooperative movement and international development community is provided by the experience of Poland. At the present time there are 1,200 worker cooperatives in Poland employing some 200,000 worker-owners. Many of the worker-owners in these cooperatives are having difficulty learning the business and management skills and techniques needed to operate successfully in a market economy. As a result, some of them are failing, increasing the already high unemployment rates in that country. Despite the urgent need and plea for help in obtaining market-related business and management skills, the logical cooperative groups and international development agencies have been unable or unwilling to provide technical assistance to these Polish worker cooperatives.⁴³

It seems obvious that the promotion of group entrepreneurship and cooperative-type joint-stock enterprises is urgently needed in developing countries and in the newly emerging democracies of Central and Eastern Europe to help alleviate the unemployment and income problems stemming from privatization and to foster market economic democracy as they transition from command economies to market economies. These nations have expressed considerable interest in learning more about group entrepreneurship, employment-creating workers' cooperatives and cooperative-type joint-stock enterprises such as ESOPs and Labor Limited Companies. Unfortunately, as the recent experience in Poland suggests, international development agencies are not prepared or willing to advocate and systematically promote these forms of enterprise as viable alternatives to the corporate form of joint-stock enterprise. Instead, the development agencies are concerned primarily with discussing and promoting client-owned cooperatives and traditional joint-stock enterprises.⁴⁴

Requirements for Successful Group Entrepreneurship using Worker Cooperatives

As more experience is gained in promoting group entrepreneurship using worker-owned cooperatives, it is becoming clear that this form of cooperative is very complex, and requires special institutional arrangements and treatment—quite different from that provided client-owned cooperatives and other small businesses.⁴⁵ They need legislation specifically tailored for this type of cooperative business enterprise and carefully crafted charters and by-laws that provide adequate direction and control. They require a specially designed development mechanism to incubate, provide the business and technical expertise needed, and monitor them. Worker cooperative owner-members and managers need participatory training to function effectively as group entrepreneurs. Traditional cooperative laws, ownership and control structures, development approaches, training materials and training programs designed for client-owned cooperatives and other small businesses are, for the most part, inappropriate and unsuited to the special needs of employment-generating worker-owned cooperatives.⁴⁶

It is also clear that to make more than a marginal contribution to economic development and employment creation, efforts to promote group entrepreneurship and workers' cooperatives on a large scale must include four essential components:

- 1. *Suitable cooperative capital structures.*** The worker cooperatives must combine collective ownership with the incentives of individual ownership in a carefully designed ownership structure that recognizes both the individual and the collective side of human motivation. The internal capital account system used in the Mondragon system of worker cooperatives is one successful approach to this problem.⁴⁷
- 2. *A worker cooperative development mechanism (WCDM).*** The process of promoting group entrepreneurship and systematically incubating new worker cooperatives to generate employment and income on a substantial scale in a community or region requires the creation of a carefully designed entrepreneurial, financial, consulting, and monitoring mechanism. The WCDM must be focused exclusively on worker cooperative development. It should identify promising worker cooperative business ideas, conduct feasibility studies, prepare business plans, obtain financial resources, and monitor their performance on an ongoing basis. In return, the cooperatives created must be required to have a contract of association with the WCDM to receive startup assistance, support services and monitoring.
- 3. *Networking arrangements.*** The primary objective of the WCDM is to create substantial numbers of viable employment-generating worker cooperatives in a community or region. As demonstrated in the Mondragon and by the Emilia-Romagna experience, as well as earlier by Indusco, this growth and strength cannot occur without building an effective network or system of mutually supportive relationships among the cooperatives. Consequently, the worker cooperatives established by the WCDM in a community or region must be organized into some form of network to increase their ability to grow and withstand the challenges of a competitive environment.
- 4. *Continuing education and training.*** It is necessary to organize and conduct a specialized educational program to provide the business, technical, and cooperative skills to the worker-owners. All successful group entrepreneurship efforts have incorporated an education and training component as an integral part of their structures.⁴⁸

The innovative ways in which these four components have been combined has been critical to the continuing success of the Mondragon group of workers' cooperatives in Spain, the small enterprises in the Emilia-Romagna region of Northern Italy, and, in an earlier period, to the Indusco system of worker cooperatives in China. Unfortunately, neither the cooperative or international development communities fully recognize,

understand or appreciate the importance of including all of these components in designing a successful enterprise and employment development project.

Worker Cooperatives need Equal Treatment and Effective Promotion

To enable worker-owned cooperatives to fulfill their employment- and income-creating potential, help solve the worldwide unemployment problems, contribute to the expansion of market economic democracy, foster substantial group entrepreneurship and achieve a "place of high esteem" in the minds of development professionals and the cooperative movement, *they need equal treatment and effective promotion! Furthermore, the leadership to help them achieve equal opportunity and effective promotion must come from the ILO, the leading international cooperative development organization concerned with employment creation in developing countries.* The ILO and its Enterprise and Cooperative Development Department should be proactive, and provide the same levels of support for research and policy development, project design, training materials development, training activities, technical cooperation programs and the other forms of assistance that they have provided for many years to small businesses and client-owned cooperatives to the promotion of group entrepreneurship and worker-owned cooperatives.

More specifically, the ILO Enterprise and Cooperative Development Department should:

- ◆ *make a formal commitment to actively promote group entrepreneurship emphasizing workers' cooperatives and other forms of cooperative-type joint-stock enterprises (ESOPs, workers' limited companies, etc.) for enterprise and employment creation and employment stabilization.* What form this commitment should take is difficult to say. Obviously, to be meaningful the commitment has to have the support and sanction of those in authority--at the highest levels in the ILO and its Governing Body.
- ◆ *launch a worldwide educational campaign to promote group entrepreneurship and employment creation through workers' cooperatives.* The objectives of this campaign should be to help the cooperative movement, international donors supporting cooperative development, and the key international development organizations to: (1) overcome their resistance and prejudices against this type of cooperative; (2) understand and appreciate the employment and enterprise-creating potential of worker cooperatives when coupled with this form of entrepreneurship; and (3) become actively involved in promoting group entrepreneurship and workers' cooperatives for employment and enterprise creation purposes.
- ◆ *obtain or allocate the necessary financial and professional staff resources to design and implement group entrepreneurship and worker-cooperative development programs.* Concerted efforts should be made to obtain resources internally or to develop proposals to attract resources externally from international donors to design and implement development projects emphasizing group entrepreneurship and the

systematic incubation of workers' cooperatives for enterprise and employment creation, and to promote other forms of employee ownership. These resources should be used to:

- (1) encourage countries to evaluate their cooperative laws, and, where appropriate, assist them to modify existing legislation or draft new legislation specifically designed to support the development of modern worker-owned cooperatives and cooperative-type joint stock enterprises such as ESOPs and labor limited companies;
- (2) develop, through research and demonstration projects, basic strategies, models, training packages and approaches which can be used to design, systematically incubate and finance *substantial numbers* of worker-owned cooperatives (and worker cooperative complexes) for employment and income-development purposes in developing countries and in industrialized countries undergoing privatization and the transition from command to market economies;⁴⁹
- (3) launch a new “Start Your Group Business” (SYGB) program to train people to engage in group entrepreneurship by starting worker-owned cooperatives. The SYGB program would use participatory training methods to help potential group entrepreneurs systematically think through the most important issues related to starting a worker cooperative. This could be done by using the same approach that is currently being used in the ILO’s “Start Your Business” (SYB) Program, including the full range of modular training materials, support services, and other training and technical assistance provided by the ILO and international donors to the SYB program;⁵⁰ The SYGB program and training materials (and the KAGB program and materials discussed below) could also contain a major component which discusses the essential concepts and mechanisms needed to start a group entrepreneurship project: how to start a WCDM to promote group entrepreneurship, systematically incubate worker cooperatives, create networks, and establish the other essential components needed for large-scale enterprise and employment creation.
- (4) develop, in cooperation with the ILO International Training Center in Turin, a “Know About Group Business” (KAGB) training package for group entrepreneurship education. The KAGB package should be designed for trainers/teacher in vocational education and training institutions, and its overall objective should be to contribute toward the creation of a group enterprise culture. Specific objectives should be to help develop positive attitudes towards group entrepreneurship, provide knowledge and skills needed for starting and operating successful group enterprises, especially worker cooperatives, and provide information about how to launch a group entrepreneurship development project to systematically incubate worker cooperatives. These objectives could be achieved using the same modular approach contained in the ILO International Training Center’s “Know About Business” package.

- (5) execute technical cooperation projects designed to expand employment and enterprise creation through systematic group entrepreneurship and worker-owned cooperatives in the urban informal sectors and rural non-agricultural sectors in developing countries; and
- (6) execute technical cooperation projects in the countries of Central and Eastern Europe: (a) to assist existing groups or federations of worker cooperatives such as those in Poland seeking training assistance to preserve jobs and become more competitive in a market economy, and (b) to assist groups and organizations seeking to expand employment and enterprise creation through group entrepreneurship and worker-owned cooperatives and other forms of worker ownership.

Conclusions

The time has come for the ILO to honor the memory and validate the wisdom of Albert Thomas by showing that it stands for giving "even private enterprises the example of an organization of labour in agreement with the workers' deep yearnings."⁵¹ The time has also come to enlist all of the available resources and organizational tools, including group entrepreneurship and worker cooperatives, in the worldwide battle against unemployment and poverty.

The pressing problems of unemployment and poverty in developing countries, the urgent concerns arising from structural adjustments in many countries, the critical issues of privatization, employment preservation and employment creation in the former communist countries of Central and Eastern Europe, and the growing need for new and creative approaches to entrepreneurship, worker participation, employee ownership and economic democracy as we enter the post-industrial era make a strong case for enlisting group entrepreneurship, worker-owned cooperatives, and cooperative-type joint-stock enterprises in the battle.

Worker-owned cooperatives must be treated as full-fledged partners in the cooperative and economic development communities. The ILO and other international development agencies can no longer afford to pay lip service to or ignore the employment-creating potential of group entrepreneurship and workers' cooperatives, and lose their socio-economic benefits for millions of people around the world. The cooperative movement can no longer afford to dismiss or disapprove of workers' cooperatives, and lose the significant contribution these unique cooperatives could make to the vitality and growth of the cooperative sectors in many countries.

FOOTNOTES

¹ According to one development report, "the most basic challenge of the coming decades in developing countries will be to create productive new jobs. Between 1987 and 2010, almost a billion new jobs will be needed in developing countries. Each year in the 1990s, developing countries will have to generate 36 million new jobs." (Development and the National Interest: U.S. Economic Assistance into the 21st Century. A Report by the Administrator, Agency for International Development. USAID, February 1989)

The 1993 World Labour Report is equally grim concerning world employment prospects, indicating that unemployment and underemployment remain at all time highs. The report paints a dismal employment picture for Africa, Latin America and the former communist countries of Central and Eastern Europe. (ILO: World Labour Report, 1993, Geneva, 1993, pp. 2-4.)

In Africa, the labor force is expected to grow by 3.2 percent per annum over the next decade. An extra 10 million new jobs will need to be created each year just to maintain present levels of unemployment. The urban unemployment rate for the region as a whole is estimated to be between 15 to 20 percent--some 14 million people, a total which increases by around 10 percent per year. (1993 World Labour Report, pp. 3-4.)

Because formal economies in developing countries cannot provide adequate employment and income-generating opportunities for much of their population, many workers are unemployed, under employed or earn only a meager living from various self-employment activities in informal economies.

Unfortunately, many of these same problems are present in Eastern Europe and the Commonwealth of Independent States (CIS) as well. Eastern European countries and the CIS have experienced substantial job losses in the past three years. For example, the 1993 World Labour Report states that total GNP of the 12 member States of the CIS fell by around 17 percent in that period. From the beginning of 1990 up to March 1992 the registered unemployed in Eastern Europe increased from 100,000 to over 4 million. The shrinking of state enterprises has caused most of this unemployment--at least 80 percent--with the rest made up of school leavers and other new entrants to the labor market. Most of the job losses occurred in industry. In the CIS countries job losses have not matched declines in net material product (2 percent job losses compared with 15 percent decline in net material product), indicating that there is considerable labor hoarding and invisible unemployment. Much of the decline in employment in CIS countries has been in the state sector--from 78 percent in 1990 to 72 percent in 1991, and employment in agricultural cooperatives also decreased from 14 to 13 percent. Employment in the independent sector is growing but still represents only around 15 percent. (World Labour Report, 1993, Geneva, p. 3.)

² "Global Unemployment at 'Grim' Levels, Study Finds, but Job Tenure Is Steady," *Wall Street Journal*, November 26, 1996, p. A4.

³ ILO, 1966, p. 1.

⁴ Alfred Hanel, in the latest edition of his monograph on cooperative development states the rationale this way: "(1) Relatively open and democratically organized cooperative groups with jointly owned enterprises can realize socio-economic advantages of cooperation for the benefit of their members and can also give rise to economic, social and socio-political effects on the organization's environment in the interests of the members;

(2) through establishing their jointly owned cooperative enterprise, the members can be promoted by way of the direct supply of goods and services they need at better conditions than those available (if at all) either on the markets or provided by the state or charitable agencies (cooperative self-help as an alternative to market failure as well as to state or bureaucracy failure in development);

(3) the basic structure of the socio-economic type of organization cooperative seems flexible enough to be adapted to specific socio-economic situations and needs of members, who act in different economic sectors, branches and regions at various levels of development; and, in particular

(4) members belonging to socio-economically weak or poor segments of the population can use the self-help instrument cooperative in order to improve their economic and social situation and to integrate themselves in processes of socio-economic development." Alfred Hanel, Basic Aspects of Cooperative Organizations and Cooperative Self-Help Promotion in Developing Countries, (Marburg, 1992), p.101.

⁵ Since 1951, the United Nations General Assembly has adopted resolutions concerning cooperatives and their promotion. Resolution 2459, adopted in 1968, calls for the ILO and other specialized United Nations agencies, in cooperation with the International Cooperative Alliance, to render

increased assistance to cooperatives in developing countries. Subsequently, the General Assembly and ECOSOC have adopted similar resolutions on a periodic basis. To monitor responses to resolutions and to review the progress of cooperatives in development, the UN Secretary-General prepares and submits a report to the General Assembly every second year. His latest resolution, dated May 1992, prompted the ECOSOC to pass a resolution which encourages governments to consider fully the potential of cooperatives for contributing to the solution of economic, social and environmental problems in formulating national development strategies." The Secretary-General also recommended in his report that the General Assembly might wish to re-emphasize the continuing relevance of ILO recommendation 127 for the formulation of governmental policy concerning cooperatives, not only in Africa, Asia and Latin America but also in those of Central and Eastern Europe and the Commonwealth of Independent States, and to urge all governments "to make renewed efforts to implement each of its measures and provisions, particularly in the context of General Assembly resolution 46/166 of 19 December 1991 on entrepreneurship." ECOSOC: Status and role of cooperatives in the light of new economic and social trends, Report of the Secretary General (New York, doc. A/47/216, 28 May 1992), p. 3.

⁶ ILO, Democratisation and the ILO, Report of the Director General Part I, ILC, 79th Session, Geneva, 1992, pp. 39-41.

⁷ Gary B. Hansen, An ILO Strategy for Promoting Employment Through Cooperatives. Study for the Cooperative Branch of the International Labour Office, Geneva. Unpublished Report, January 1992.

⁸ The definitions of cooperatives developed by the ILO have been used to distinguish between client-owned and worker-owned cooperatives as they relate to employment creation. "One of the ways of assessing the employment potential of cooperatives is to determine the members' relationship to the cooperatives they set up and own. Is their relationship that of clients of the enterprise or workers in it? When viewed in this way, there are two basic categories of cooperatives--client-owned and worker-owned." See: ILO, Report 3: The role of cooperatives in the promotion of employment and income in the rural and informal sectors. Report prepared for the Meeting of Experts on Cooperatives, Geneva, 29 March- 2 April 1993. (Geneva: 1992), pp. 1-2.

⁹ The term "worker-owned industrial cooperative" describes a category of cooperatives where the members of the cooperative work together within the cooperative to jointly produce (manufacture) goods or services for sale in the marketplace. Additional terms which are used to describe these cooperatives include "workers' cooperatives," "workers' production cooperatives," "industrial cooperatives," and "workers' joint-production cooperatives." The term "labor contracting cooperative" is used to describe another form of workers' cooperatives in which the members sell their labor as a group to outside enterprises. The primary objective of the labor contracting cooperatives is to ensure that their members are as constantly as possible employed. Unlike the other forms of workers' cooperatives, labor contracting cooperatives do not own an enterprise in which the members jointly produce goods or services for sale in the marketplace.

¹⁰ ILO, Democratisation and the ILO, Report of the Director General Part I, ILC, 79th Session, Geneva, 1992, p. 41.

¹¹ ILO, The promotion of self-employment. Report VII, International Labour Conference, 77th Session, 1990, p.59.

¹² Douglas Stevensen, "SYB: Time to start!," IYB Bulletin, No. 25 (January-March 1996, p. 1; What is SYB?, ILO: SYB Regional Project Office, Harare, Zimbabwe, n.d.

¹³ George Manu, Robert Nelson, and John Thiongo, Know About Business, International TrainingCenter of the ILO, Turin, 1996.

¹⁴ "Know About Business: Entrepreneurship Education in Vocational and Technical Training— Training Package." Entrepreneurship and Management Development Branch, ILO Geneva, and International Training Center of the ILO, Turin, n.d.

¹⁵ Ibid.

¹⁶ "Report of the Committee on Technical Cooperation," Provisional Record, International Labour Conference, Eightieth Session, Geneva, 1993. p. 10. The representative of the Secretary-General offered the following explanation for the Office's failure to include this information: "...the Office report was completed several months before the expert meeting on cooperatives took place, and it had consequently not been possible to include the conclusions derived from that meeting."

¹⁷ ILO: Rural employment promotion, Report VII, International Labour Conference, 75th Session, Geneva, 1988, p. 73.

¹⁸ ILO: The Dilemma of the informal sector: Report of the Director General (Geneva, 1991), p. 15.

¹⁹ *Ibid.*, p. 17.

²⁰ ILO: Seventeenth item on the Agenda: Report of the Committee on Employment, 11-15 November 1991 (Geneva), pp. 17-18.

²¹ Comments were made at the International meeting of Experts on Cooperatives held in Geneva, Switzerland, March 29-April 2, 1993.

²² Alfred Hanel, Basic Aspects of Cooperative Organizations and Cooperative Self-Help Promotion in Developing Countries, p. 96.

²³ *Ibid.*

²⁴ Nym Wales, China Builds for Democracy: A Story of Cooperative Industry. New York: Modern Age Books, 1941. The three individuals who started the INDUSCO group entrepreneurship system to systematically incubate new worker cooperative enterprises were: Helen Foster Snow, Edgar Snow, and Rewi Alley.

²⁵ Luis Irazabal, "The 'Mondragon' Group," Review of International Co-operation, Vol. 83, 1990, pp. 45-59.

²⁶ Ramon Salabert Parramon, "Active Socio-Economic Development Policies in Spain," International Review of Co-operation, Vol. 83, 1990, p. 3.

²⁷ Vittorio Capecchi, "A History of flexible specialisation and industrial districts in Emilia-Romagna," in F. Pyke G. Becattini and W. Sengenberger, (eds.) *Industrial Districts and Inter-firm Co-operation in Italy* (Geneva: ILS, ILO, 1990), p. 32.

²⁸ For a fuller treatment of the group entrepreneurship project concept see: Michael Van den Bogaert and Sureswari Prasad Das, Group entrepreneurship with the rural poor: an idea whose time has come. New Delhi: Indian Social Institute, 1989.

²⁹ From the Ground Up: Essays on Grassroots & Workplace Democracy by C. George Benello, edited by L. Krimmerman, et. al., Boston: Southend Press, 1992, p. 97.

³⁰ Alfred Hanel, Basic Aspects of Cooperative Organizations and Cooperative Self-help Promotion in Developing Countries, Marburg, 1992, p. 6.

³¹ Michael Young and Marianne Rigge, Revolution from Within: Co-operatives & Co-operation in British Industry, London: 1983.

³² A.F. Laidlaw, Cooperatives in the Year 2000, London, International Cooperative Alliance, 1980, p. 59. For an account of the struggle between the CWS and workers' cooperatives in the nineteenth century, see Christian Socialism and Cooperation in Victorian England, by Philip N. Backstrom. London: Croom Helm. 1974.

³³ Frank T. Adams and Gary B. Hansen, Putting Democracy to Work: A Practical Guide for Starting and Managing a Worker-Owned Business, Eugene and San Francisco, Revised Edition, 1992, pp. 17-18.

³⁴ Paul Lambert, Studies in the Social Philosophy of Co-operation, Brussels, 1963, p. 191.

³⁵ Laidlaw, Cooperatives in the Year 2000, p. 59.

³⁶ Angel L. Vidal-Alonso and Alfonso Hernandez, "Labour Co-operatives, other Associative Production," Review of International Co-operation, Vol. 83, 1990, pp. 60-68.

³⁷ The national CDA was subsequently shut down by Margaret Thatcher in the late 1980s, but many local CDAs created during the same period are still operational.

³⁸ For a brief overview of some trade union activities, see "Conclusion," in Frank T. Adams and Gary B. Hansen, Putting Democracy to Work: A Practical Guide for Starting and Managing Worker-owned Businesses, (San Francisco and Eugene: 1992), pp. 171-182.

³⁹ Remarks at the 32nd Meeting of the ICA Regional Council for Asia, 7-8 February 1990, Sydney, Australia, Minutes of the Meeting, p. 111.

⁴⁰ A. Shah, conversation with the author, Geneva, Switzerland, April 2, 1993.

⁴¹ Peter Abell, Establishing Support Systems for Industrial Cooperatives: Case Studies from the Third World. London: Aldershot.

⁴² The quality of the two learning resources and trainer's manuals on worker-owned cooperatives prepared by the ILO MATCOM project is very good, but they are overwhelmed by the far greater number of similar training resources provided for client-owned cooperatives.

One of the first recent attempts to expand the knowledge base about group entrepreneurship and worker cooperatives was the convening of a group of experts in Bangkok in December 1993 to discuss the problem. This workshop led to the preparation, by the author and Ejvind Mogensen, of a short guide to group entrepreneurship entitled: *Working Together to Create Jobs: A Guide to Worker-owned Cooperative Development*, published by the ILO Regional Office for Asia and Pacific in December 1994.

⁴³ Personal knowledge of the author. Requests for assistance were repeatedly conveyed to both the ILO and ICA beginning in 1994.

⁴⁴ The first effort to overcome this gap was taken by the ILO when they invited the author to participate in a seminar conducted by ILO for the Ukrainian Government in May 1993. One of my presentations was on ESOPs and their applicability in privatizing enterprises in the Ukraine. There was considerable interest in this topic.

⁴⁵ Alex Laidlaw noted that worker cooperatives "are perhaps the most intricate and difficult of all forms of co-operation to run smoothly and successfully..." Alex Laidlaw, Co-operatives in the Year 2000, p. 29.

⁴⁶ For an example of what is needed to promote cooperative entrepreneurship using workers' cooperatives, see: Gary B. Hansen, "Using group entrepreneurship to create new enterprises systematically," Small Enterprise Development: An International Journal, Vol. 7 No. 1, March 1996, pp. 17-30.

⁴⁷ The system of individual accounts with automatic loan-back, along with the partitioning of the surplus into an individual component and a collective component, represents a method of giving the worker a sense of individual ownership along with a sense of collective participation in an organization which provides more than simply a meal ticket, even as it expects more than simply job performance. (C. George Benello, as quoted in Len Krimerman, et. al., eds., From the Ground Up: Essays on Grassroots & Workplace Democracy by C. George Benello, 1992, p. 97.) The marginality of cooperatives adhering to the form of cooperative ownership which does not recognize the individual component is illustrated by those cooperatives organized using the model promoted by the Industrial Common Ownership Movement in Britain.

⁴⁸ Gary B. Hansen, "Using group entrepreneurship to create new enterprises systematically," Small Enterprise Development: An International Journal, Vol. 7 No. 1, March 1996, pp. 17-30.

⁴⁹ Some basic outlines of strategies for promoting group entrepreneurship and systematically incubating employment-generating worker cooperatives can be found in Gary B. Hansen, "Using Group entrepreneurship to create new enterprises systematically," Small Enterprise Development: An International Journal, Vol 7 (March 1996), pp. 17-30, and Chapter V of J.T. Webb, Worker's Co-operatives: A People Centered Approach to Regional Development, Research Report 5, Extension Department, St Francis Xavier University, Antigonish, Nova Scotia, 1987,

⁵⁰ See the SYB Training materials prepared for the SYB Regional Project in Africa: *SYB Trainer's Guide*, *SYB Manual*, *SYB Feasibility Study*, etc. published in 1996; and the *Start Your Business Handbook* written by Geoffrey Meredith for the ILO Entrepreneurship and Management Development Branch in Geneva in 1995.

The most recent example of the type of basic worker cooperative training materials needed is a small informational booklet being published by the Northwest Cooperative Federation and the Center for Cooperatives at the University of California, Davis. It is entitled: Steps to Starting a Worker Co-op. (Davis, CA: 1997) Unfortunately, because of financial constraints and the objectives of the publishers this document is limited in scope and does not address the full range of issues and topics concerning group entrepreneurship, systematic worker cooperative incubation, and the other topics addressed in the SYB training materials.

⁵¹ Lambert, op. cit., p. 21.