

Worker Co-operatives in Australia 1833-2023

Abstract

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While there are qualitative discussions of the history of worker co-operatives in Australia (Albanese and Jensen, 2015), there have been no substantial quantitative studies such as that of Jones (1984) who analysed 784 US worker co-operatives between 1840 and 1979. Jones highlighted issues with defining worker co-operatives and noticed upsurges of interest in worker co-operatives in the US corresponded with periods of economic depression in the 1880s and 1930s when workers formed co-operatives to sustain employment. He emphasised the significant role that trade unions and the state play in fostering the development of worker co-operatives. The literature also generally highlights concerns about the longevity of worker co-operatives with the Webbs (1914: 21) arguing that worker co-operatives tended to degenerate into non-participatory organizations due to the inability of workers to exercise self-discipline regarding production quality and output.

The development of the data base in the Visual Historical Atlas of Australian Co-operatives or Visual Atlas allows long-term analysis like that of Jones to be undertaken of worker co-operatives in Australia. The Visual Atlas draws upon and integrates data from a range of reputable sources. It is the first to use the Australian National Library Trove newspaper database to develop a long-term picture of the development of any business model, particularly for the nineteenth century. Other sources include the surviving historical records of various state and national bodies relating to the movement, public sources such as newspapers, particularly at community level, published co-operative histories, detailed case studies, parliamentary papers and debates, and material sent to the various Registrars of Co-operative Societies. The Visual

Atlas allows an assessment of the trends in worker co-operatives over space and time and a comparison of worker co-operatives to other types of co-operative in terms of their significance in the Australian co-operative movement and average lifespan.

The Visual Atlas (Version 31, July 2023) currently contains organisational data on 154 worker co-operatives dating from 1833 to the present. They are a fraction of the sample of the co-operatives in the Visual Atlas, which currently has 9,557 co-operatives including agricultural, consumer, financial and community co-operatives. Worker co-operatives have the shortest average lifespan, from formation to dissolution, relative to other Australian co-operatives. While average lifespan of Australian co-operatives is 21.47 years, the average lifespan of worker co-operatives is only 8.58 years. By comparison consumer and agricultural co-operatives have average lifespans of 14.64 and 27.4 years. While the Atlas has worker co-operative entries for all states and territories except the ACT, they are mainly found in NSW and Victoria. They tend to be primarily found in manufacturing but have also been present in a wide range of industries including mining, building and the performing arts.

Prior to the Second World War worker co-operatives were generally an outcome of an industrial dispute, where workers sought independence from their employer. There was a significant surge of interest in worker co-operatives that began in 1893 and peaked in 1912. The growth of interest coincided with the depths of the 1890s Depression, where they were seen by the labour movement as a short-term means of resolving unemployment (Markey, 1985), and continued through a period that saw the consolidation of a labour movement that primarily focused on state industrial regulation and political representation through the Labor Party as the primary strategy for improving living standards. By contrast there was growing scepticism in the labour movement about the value of worker co-operatives during this period. This scepticism

continued during the 1930s Depression, where in contrast to the US, there was minimal interest in worker co-operatives (Mckay, 1946, p. 29).

The most recent significant surges of interest in worker co-operatives were from 1975, peaking in 1987, and to a lesser surge since 2012. Both these periods coincided with periods of economic upheaval, the end of the post Second War economic boom and the Global Financial Crisis, as workers sought to retain employment in manufacturing particularly. Overseas influences were important in Australia such as the Mondragon Co-operative in Spain and local co-operative development agencies in the UK during the 1980s (Jensen, 1988, p. 5; Mathews, 1999). During the 1980s key unions such as the AMWU and the State Labor Governments in NSW and Victoria promoted these ideas as a solution to unemployment. Overall, the paper argues that worker co-operatives did not become a more significant part of the Australian co-operative movement because they have been seen as a short-term solution to unemployment rather than a long-term means to securing economic democracy in the Australian workplace.

References

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