

CO-OPERATIVES AND COLLECTIVES

Co-operatives and collectives are organisations which are owned and run jointly by its members, who share the profits or benefits. Seeding funding can be provided for co-operatives and collectives by levying a 1% superannuation tax. This loan would be repaid once the co-operative or collective is profitable. Co-operatives and collectives play a valuable role in a mixed economy. They introduce increased competitive pressures in an economy. An ideal mix would be one third public, one third private and one third co-operatives and collectives.

The essentials of the Mondragon story are simple. What arose in 1956 as a handful of workers in a disused factory, using hand tools and sheet metal to make oil-fired heating and cooking stoves is today a massive conglomerate of some 260 manufacturing, retail, financial, agricultural, civil engineering and support co-operatives and associated entities, with jobs for 83,800 workers, and annual sales in excess of \$US20 billion.

As equal co-owners of their workplaces, members enjoy job security together with individual capital holdings, equal sharing of profits on a proportionate basis and an equal 'one-member one vote' say in their governance. Remuneration within the cooperatives is egalitarian.

Members share a unique system of secondary support co-operatives, from which the primary or frontline co-operatives draw resources including financial services, social insurance, education and training and research and development.

The establishment of co-operatives and collectives as a significant economic force in Australia will help to decrease unemployment, increase job security, reduce prices, improve overall job satisfaction and help to create a harmonious stable society.

