

## **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 Mondragon co-operatives in Spain that arose in 1956 when 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 \$20 billion US.

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 and improve overall job satisfaction. Pride in ownership leads to better quality products and services. Co-operatives and collectives help to create a harmonious stable society.

