

## **The employment relationship, trade unions and employee ownership: the five year experience of Tower Colliery.**

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Background.

Tower Colliery is the last deep mine in the South Wales coalfield. It is situated to the extreme North of the coalfield, just outside of Hirwaun and just above the watershed of the rivers Neath and Cynon. It is in an area where the hard coal anthracite seams start. It is in one of the most geographically dramatic settings in South Wales being set about 1/3 of the way up a north facing escarpment which rises in less than a mile over 1200 feet in a great glaciated 'u' shaped sweep from the valley floor. In 1994, after over 100 years of coaling it was threatened with closure along with the other few remaining working South Wales deep mines.

However, unlike the other mines and despite a vote to accept the closure, a campaign was started by the NUM members at Tower to use the new ability to purchase coalmines to organise an employee buyout and establish a workers cooperative. A small group was elected by the workforce who had committed an initial £1000 of their redundancy money to the project to prepare the tender for the mine. The group was known as the TEBO (Tower Employee Buyout) team.

Throughout most of 1994 the TEBO team working from a small office donated by the local council and situated above a corner shop in Aberdare preparing all aspects of the bid. This not only required the development of a business plan, technical specifications, raising of bank loans and the establishment of a management team to fulfil the tender and legal requirements, but the constant raising of small donations to sustain the work of the team. This was needed as the initial £1000 from each worker had to be committed for the purposes of equity.

In November 1994 the Department of Trade and Industry confirmed that it had accepted the TEBO bid and the mine became the property of the workers from January 1<sup>st</sup> 1995. The heroic struggle to buy the mine and all the attendant vicissitudes of fortune has been well told as a French feature film, an opera and soon as a UK feature film, scripted by Colin Welland. One other academic work has covered this period and the first year of the cooperative (Waddington et al 1998) and made a useful contribution to an analytical framework.

This paper concentrates on the experience of the worker cooperative since that time. In overall terms the cooperative has been remarkably successful. When it came into being it employed just over 230, employment now hovers around 400 with just under 300 as full members of the cooperative and others employed in security, an recently acquired bagging plant and contractors. Coal production was around 380k tonnes per year the current output stands at 600k tonnes per year. The Coal Board claimed the mine was uneconomical: the cooperative has regularly made annual profits of £4m. Possibly the biggest success is that the co-operative mine has survived for 6 years as a business and still has a future.

It is the intention of the paper to present the initial findings of our analysis of the operation of the cooperative, to evaluate the success, and to also explore some of the ambiguities, tensions and creativity that have characterised the last 6 years. Cooperative production straddling the divide between employee ownership and control and operating within a framework dominated by capitalist market relations is somewhat predictably in an ambiguous situation: providing

both a practical challenge to the status quo while also affirming it. Our analysis of Tower Colliery has found this ambiguity to be a constant theme of the experience of those in the cooperative and has produced theoretical and conceptual enigmas for us as researchers.

From the start the cooperative could only have come into existence once the Conservative Government had introduced legislation to privatise the mining industry. Direct action resistance to the closure organised by the union did not take place and the success of the buyout was aided by the support of the then Secretary of State for Wales, John Redwood, and was announced by Heseltine as head of the DTI at the Conservative Party Conference. But they were only able to provide this support as a result of the effective organisation of the TEBO team and the widespread support they developed throughout South Wales. Within the cooperative a constant issue has been coping with the nature of the employment relationship where the workers are the owners but are also subject to a contract of employment. From the start an attempt was made to cope by insisting that they are 'employees when they walk through the mine gate', a position that has proved difficult to sustain in practice.

The last UK work that engaged generally with the issues of cooperative production in the UK was Mary Mellor, Janet Hannah and John Stirling (1988). Waddington et al (1998) proposed a synthesis that incorporates this earlier work, however we will use the Mellor framework as this provides a useful thematic framework for the purpose of presenting this paper. Mellor et al recognised the ambiguity of cooperative production and sought to assess the cooperative 'dream' against the reality of experience. In this paper we will re-visit the main themes used by Mellor as a vehicle for assessing the experience of the Tower colliery cooperative so far and as a means of providing a basis for a wider debate about their significance.

Tower: an assessment.

Mellor et al establish identify 8 characteristics that summarise the advantageous claims made for worker co-operatives. Each of these are stated and then compared with the research findings so far.

#### 1. Employment.

'... worker cooperatives have failed to generate large-scale employment' and 'The employment that has been created has been restricted to a largely middle class and white socio-economic group'. P124.

Like many co-operatives in the 1980's Tower colliery was established primarily as an attempt to keep the mine open and to preserve employment. In this aim it has been successful. The initial workforce of 230 has expanded to 300 cooperative members over a period of 6 years. The same period which experienced a rapid decline in mining employment in the UK with production of deepmine coal falling from 35m tonnes in 1995 to 21m tonnes in 1999. During this period a small number of mining apprentices have been recruited, indicating an employment policy that is long term and making a contribution to the industry beyond the immediate workplace. At the periphery the mine has maintained and generated additional employment, directly in the service industries such as engineering, railways and tip maintenance, but also through the purchase of a coal delivery and bagging facility, aiding a manufacturer of solid fuel boilers and the establishment of an electricity generating plant using methane gas at the pit head.

This is one mine and so it is clearly not possible to generalise to the whole economy in terms of 'widespread' employment creation, as argued by Mellor et al, however within the Hirwaun and Aberdare area, the impact is very significant. The mine has lasted for 6 years, so employment created has been long term, and if the lessons of why Tower has survived can be applied elsewhere the implications for employment are clear.

Mining is a male dominated industry and Tower is in an area where large-scale inward migration stopped just before the First World War so draws upon this population, in this sense the workers are white. The women who are employed in the offices and in the canteen are full members of the cooperative and benefit equally from the flat rate pay increases. The term middle-class is problematic especially when applied to employment. Tower has the full range of job categories in a working deep mine. There is an extensive use of ICT in controlling and monitoring the mining process. The IT control room was staffed on a number of shifts by ex-face workers who had been re-trained for this 'white collar' work.

## 2. Participation.

'...genuine participation in decision-making within cooperatives is severely limited' and a number of factors are cited: size; does ownership secure control?; control is restricted by the specific structures of the cooperative; cooperators find it difficult to take part.

Participation at Tower is a complex, ongoing and an ever-present issue, where ambiguity comes to the fore. The research findings in part defy the conceptual framework used by Mellor et al. Provisionally there are a number of aspects that seem important to explore. First, 85% of the workers are full members of the cooperative with an £8k stake and a single vote. As a consequence one of the prominent themes has been the need to constantly re-negotiate and try to define the relationship between the employment contract and being a shareholder. For example all employees are union members, including NACODs and BACM, and within the NUM the issue of 'are we tackling this issue as employees or shareholders' prefaces many debates. It permeates the daily operation power in the working relationships with managers, even those with authority backed by legal powers showing some uncertainty about their role. These tensions were at the heart of a widely published 48 hour strike. It appears there is a new and more complex employment relationship that lacks a conceptual definition.

Secondly, many features of traditional participative management practices, 'open doors' and extensive collective bargaining exist and continue to operate. Respondents and other reports, such as one produced by ACAS, have at one level expressed a level disenchantment and cynicism with these practices. However, we have also found through the interviews and observation, that confident and often combative debate – with considerable humour – is a persistent feature of working life at Tower, where doors are often so open, they don't seem to exist. One respondent described the colliery as a 'holiday camp for adults' and it is possible to see this aspect in the working relationships. This is reflected in the level of ownership and control that workers appear to have within their work space – we spent a memorable afternoon in the security officers' bungalow and being driven widely in an old Landrover round the tip by the 'green' officer.

Thirdly as shareholders there is access to the processes of company democracy and control including the AGM and open canteen meetings. Again, considerable scepticism is voiced about these opportunities and the lack of information, but again practice often defied these statements. One aspect of the strike settlement was a special shareholders meeting to discuss the general running of Tower and more recently one of the original members of the TEBO team was voted off the Board and replaced by a non-establishment member. Two of the six board members are elected every year and these are elections are a focus of considerable debate and support a considerable 'political' context to the relationships within the cooperative.

Working relationships at Tower have clear differences from those in more traditional workplaces and these differences are sustained by the nature of the ownership, control and democratic structures. They survive despite employment size, traditional employment relationships and the colliery operating and surviving within a highly competitive industry.

Expectations about the future, the demands of production, survival and distribution of revenues constantly create issues fuelling debates throughout the cooperative and not just at Board level. Despite the ongoing of the founders within Tower and political cliques that Mellor et al referred to as serving to exclude less political able or aware members, this does not seem to have prevented the creation of political environment in which democracy can and does take place.

### 3. Socially useful products.

‘... what is meant by the term’ and few have adopted alternative means of accounting and ‘cooperatives’ contribution to the community and the environment’.

Coal is not considered a green product. Tower coal is less of a pollutant than others but it nevertheless contributes to pollution and global warming. As yet Tower not embraced social auditing and uses traditional accounting practices and under cost pressures internal budgeting and the identification of acceptable spending and costs is a live issue.

However, the cooperative board is aware of environmental issues and has negotiated an agreement with the local generating company to have turbines installed at the pit using the waste methane gas as the source of power, currently £1m of electricity is generated annually and covers Tower’s annual electricity bill. The cooperative is also active in sponsoring local projects. It is a sponsor of Mountain Ash Rugby Club, Aberdare Motor Cycle road race and the South Wales based Opera Box opera company. Tower promotes its role as a cooperative and this, combined with the many years of NUM activist experience of the cooperative’s leaders, results in constant demands to provide advice and support to community groups, community enterprise, credit unions, business, NAFW and educational bodies. During a year Tower receives dozens of visitors both from the UK and internationally.

The creative use of control over the company the extent and the local nature of the sponsorship and the support to ‘alternative’ groups and activities are again different to what would be expected of a private company. The source of these activities is bound up with the history of the cooperative and of the founders, but also with being a cooperative and discovering that creative re-cycling makes economic sense.

### 4. Organisation of work.

‘... job creation cooperatives have little scope for job rotation and that their members may not place a high value on it’.

As mentioned in passing above, work organisation at Tower is very traditional and varies little from how the mine was organised under with the British Coal. This is hardly surprising as deep mining operates under an extensive statutory regime with layers of mine management being required. The mine is automated and there is an element of technological determinism. As Mellor et al argue, job rotation is not the only form of developing greater intrinsic value from work, and they refer to alternatives such as progression and the worker finding work rewarding in other ways.

This is an area that we are just beginning to come to terms with. As we have mentioned above there is at one level a ‘holiday’ camp view of working at Tower yet, ambiguously, work organisation has not and cannot change to a great extent. There are some concerns to encourage workers to ‘progress’ one example of the control room has been mentioned and general business training had been available in the past. One suggestion is that facilities should be available to allow workers to progress into the more ‘professional’ jobs, such as financial management. It may also be wrong to see existing work patterns as somehow

unrewarding, there are in fact very few unskilled jobs in modern mining and less than 50% of the workforce are face workers, itself a work requiring considerable skill and understanding.

The level of discretion that this allows within the more 'owned' environment of Tower, has enabled groups of workers to develop their own 'kingdoms' within the workplace, such as the security officers, the coal tip controller and the same afternoon those workers who we met running the coal washery. This point can be made about more traditional work places, but within the democratic context of Tower, they operate with greater autonomy and appear to provide a platform for political and democratic participation. For example within Tower, coalface workers had always elected 'shift captains' who were not necessarily lodge committee members. One of the issues we are exploring further, is the extent to which the cooperative has led to an enhanced role for these workers.

Finally, this area should be seen as a dynamic. Over the 6 years of operating as a cooperative, Tower has experienced production problems that would have shut a pit in the days of British Coal, these circumstances served to re-create the circumstances of the fight to save and buy the pit, the whole workforce coming together to solve the problem. Two of the most dramatic circumstances were when three years ago the face collapsed and buried the cutting machinery. Essentially the whole mine revolves around this piece of equipment that costs about £1m to replace. Methods were devised to dig the machinery out, repair it and re-start coaling. More recently methane gas under pressure came into the face from old workings shutting the face for over 3 months. Four miles of domestic plastic waste pipe were secretly purchased from building stockist around the country – to stop prices being raised against them – to help channel the gas out, coaling starting just before the coal stocks disappeared and customers went elsewhere. Although the changed work experience only lasted during the course of the events, they were collective owned experiences that were often referred to.

There does seem to be some evidence – including the continuation of collective bargaining - that some important changes have occurred due to a combination of experience and ownership, but this needs to be more thoroughly understood.

## 5. Political

'... there is no inevitable causal link between working in a cooperative and acquiring or increasing a radical political consciousness. In fact it is just as likely that the opposite process will occur... Worker cooperatives are clearly not an agency for the creation of revolutionaries'.

As in all these statements from Mellor et al, it depends on what is meant by the terms used in this quote. We have indicated so far that due to Tower worker share ownership and the internal democratic structures there is an organisational context for a high degree of internal debate and that this impinges even on the daily relationships between managers and employees, working relations and control over work processes. This question that is being raised here is the extent to which this is generalised into issues that would not become the subject of debate within workplaces with a 'top down' ownership and management pattern and does the cooperative lead to an engagement with social change and politics beyond the workplace.

So far within Tower we have identified and number of trends that run counter to the claims made by Mellor et al. As in all the analysis we have presented so far ambiguity is present and alternative trends exist. However, these tensions are the subject of internal debate. Before describing these it is also important to place Tower within its own historical and political context, which does indeed provide a direct and ongoing link to wider debates so far.

As has been referred to political support from the Government of the day, was essential for allowing the TEBO bid to go forward. In addition to this, the TEBO team gathered huge sympathy amongst the trade unions and population of South Wales. It was seen – contrary to the political support that was already there – as a defiant challenge to pit closures and a final defence of the coalfield ravaged by the Tories. This general political support has continued under Labour and has been re-enforced by the creation of the NAFW.

During the last 10 years of ownership of Tower by British Coal many NUM activists appeared to be transferred to the colliery joining an already very active NUM lodge. Both the Chair, Glyn Roberts and the Secretary, Tyrone O’Sullivan were rank and file and political activists throughout South Wales and were proud to be able to send supporters and the Tower NUM banner to demonstrations throughout the area, the west and the west country. The lodge was active in all the strikes and in 1984 many of its members were involved in direct action beyond striking, such as the occupation of the coal cranes at Port Talbot Docks.

Many of the activists were supporters and workers for the TEBO team and became founder directors of the Tower Cooperative. Tyrone O’Sullivan became a board member and was briefly the personnel officer, he is now Chair of the Board and ‘propagandist’ for the cooperative. Glyn remained NUM Chair for three years and then became Personnel Officer. As many activists had been transferred to Tower, there was a considerable pool of ex lodge officials and committee activists who were prepared to stand for the positions when they became vacant. This has resulted in an NUM leadership that is composed of members with a variety of strongly held views about trade unionism and mine management resulting in considerable debate about the tension between being employees and shareholders and the role of a trade union in a cooperative. These debates are very active and ongoing, and surface around all democratic opportunities.

Beyond the founders and trade union activists the majority of employees are less involved in daily decision-making, though not necessarily disinterested in the debates. We have to do more fieldwork in this area, but our interviews, observations and other surveys, have indicated some disenchantment with the way the cooperative is run, in relation to lack of information, lack of contact with the Board and a continuation of British Coal management attitudes. It appears that a section of workers still do see themselves as employees first and foremost and that the union is there to represent them as in the past. Yet as the debates that surrounded the strike indicate, when action results in this approach being articulated, collectively thinking through the complexity of striking against yourself could not be avoided.

We have identified three generic issues that articulate the tensions experienced within Tower. First the ‘revenue tension’, Tower has survived and has produced a bigger cake of surplus for distribution during a period of stable coal prices through absolute growth in output. As mentioned above this has risen from 380k tonnes per year to 600k per year. With the current level of investment it is technically very difficult to go beyond this plateau that was reached about three years ago. The increase in revenue experienced during that period enabled wages, benefits and dividends to rise keeping at bay the issue of absolute distributional shares. Since that time, and especially during the period where pay increases and dividends were frozen – that is not currently the situation – distributional and cost control issues were debated beyond the confines of the Board meetings. They remain a major source of tension.

Second, the age old structural tension between ‘bureaucracy and democracy’, managing the organisational tension from above and from below is the source of a range of debates. Both these established patterns of social relations have started to come under pressure and a tension has developed between this established bureaucratic and technical systems and the inevitable democratic pressures from the power that the employees have from being the owners. Despite the outward appearance of a strict top down hierarchy of almost machine like appearance, coal mining requires constant shared decision making at all levels. The board and daily

production meetings by the Mine Manager hold weekly meetings. Each shift requires knowledge of what happened with the previous one involving meeting with the managers, supervisors and the shift captain, who invariably will be the NUM representative. Expected work patterns often have to be changed to cope with circumstances that are not predictable and maintenance work organised at weekends. Other work within the mine similarly requires constant organisation.

Modern mining may look like a production line but close up considerable variation takes place and requires the winning over of the active participation of workers who are the possessors of specialised but high levels of skills and consequently have considerable levels of work discretion. So long as the mine remains open these skills are in demand and are not easily substituted. This is enhanced in the situation of the co-operative as Tower is effectively the only deep mine in South Wales. Being a co-operative it is much more reliant on the special category of members, any new employee not only having to possess the required skills but being able and willing to find the £8k to invest. Added to these circumstances is the new dimension of the employees also being the owners. Where the level of articulation and debate cannot resolve these tensions they are reflected in forms of direct and democratic action, such as the strike and the recent defeat of one of the TEBO team late in 2000 during the election of the Board.

The tensions created by the revenue tension described above, combine with the contradiction between the bureaucratic / technical system and the democratic processes serve to enhance the sharpness of the debates. If the revenue is not expanding the distribution of what is available becomes a fraught issue underlying all the important decisions. For example, the technical issue of the use of budgets and targets, becomes an issue of mine managers spending not being controlled sufficiently and can develop into an issue of expectation of those elected to manage to act on their ability to control managers as their employer. At another level the increase in overtime to face workers over the last 18 months has increased differentials, already under pressure as a result of flat rate pay increases since the start of the co-operative.

It is surprising that these tensions do not create more problems than they appear to. One of the main reasons why this does not happen is the very active debate that takes place across a wide range of issues and in a just as wide range of circumstances. Most of this would be considered 'informal' as being beyond what is required by production requirements and the line between employee and owner. These debates, although they can be seen as tangentially to the purpose in hand, time wasting and frustrating, are in essence the social process that 'manages' the tension between the bureaucratic / technical systems and the reality of the democracy. It may be helpful in the long run to legitimise these debates, to accept that maintaining the hard line between employee and owner is not possible and that the level of discussion is an essential feature of a co-operative. It will make managing the work even more political and will require a different approach to managing than that which is required by the traditional mining practices.

The third tension can be described as the 'strategic tension' between prioritising the objective of business success as opposed to co-operative and social objectives. The financial and technical trajectory and supporting culture is based upon the desire for Tower to survive as a successful business. Tower was established to save jobs, the mine and the way of life it sustained, and in some part to provide a broad example to others. These wide social objectives could only be achieved if the mine survived economically. The combination of these two ideas has given a priority to the financial and technical strategic arguments. It is the source of staying with the structure and working practices that existed before the buyout and with the attempt to sustain the difference between owner and employee. This strategy has and continues to be very successful in terms of employment, production and general profitability. It has also been successful in achieving improving market position.

This strategic trajectory has its own internal tensions. Its very success places an emphasis on those who provide the technical knowledge that sustains the strategy, the professional management, and accounting and marketing roles. Their success can be used to justify continuing to have a leading role within the Board. However this can only be sustained through a democratic process that may place an emphasis on a wider basis of representation and through the process of annual election threaten the continuation of the professional's leading role, and consequently the continued employment of those who have led the success so far. Secondly, the successful business objective could also support the idea of a short term strategy of go for a 3 /4 year period which the existing marketing contracts and reasonably accessibly reserves cover, use the existing machinery, maximise income and then pull out. This appears to conflict with the original buyout aim but would have at least meant about 10 years of survival; longer than was expected at the time.

The social and democratic strategy exists alongside the financial and successful business strategy, both views often being held at the same time, however it is not so articulated. It exists alongside the long term strategy of opening new seams and diversification and keeping the original idea of the buyout going for as long as possible. A certain logic starts to follow from this case in that the original founders will have moved on to retirement in this period, their experience and history going with them. In this case, how will the democratic side, with its orientation to the wider labour movement continue and what form will it take.

The longer term strategy is potentially a cost in lost income for the existing employees, as a large amount of investment would need to be financed to open new seams at different levels. It would face the structure of the Board with a dilemma about how to replace the existing professionals and leaders. If the route were taken to support professionalism over democracy it would start the process of weakening the standing of Tower as a worker co-operative and enhance the conflict with the democratic process that underlay the strike. A balance between the two tensions - the strategic objective of business success and democracy - is required if Tower is to survive in the long term, but at the moment there is not much sign of this being articulated beyond some members of the Board.

## 6. Exploitation.

'Worker cooperatives under capitalism have been criticized from the political left for being vehicles of self-exploitation'.

A number of examples have already been cited that could fit into this category such as the period of dividend and wages freeze and working beyond contract during the crisis periods to save the colliery and the general contextual problem of increasing revenue during the period of stable coal prices and relatively fixed output. However, within this general context and despite these examples Tower has been able to achieve employment advantages better than under British Coal and in comparison with privatised production. The sick pay scheme that provides for 6 months on full pay, fits both these categories. Tower wage rates for face workers are among the highest in the UK currently running at about £24k per year. All employees receive flat rate increases, although this has been challenged with a rise in overtime payments to face workers during the period of the pay and dividend freeze. The 15% not in the cooperative includes contractors working on the tip, driving new headings and those in the bagging plant. They are members of the NUM and represented by the lodge and their cooperative membership is the subject of ongoing debate.

The main argument for self-exploitation comes from a contingency based notion of market and financial dependency. Tower is dependent on two main customers for about 60% on its output, Aberthawe power station taking 45% and Corus 15%. Dependency on the steel contract has been run down over the last two years. During the period of the cooperative marketing has been one of the Tower successes. The marketing manager was previously a

lodge secretary and had little experience in this field before the cooperative. However, Tower has been able to break through the domination of the coal factors and sell directly to the market, securing the contracts for concessionary coal and heating for a consortium of local authorities. Coal is also sold to France, Ireland and Italy for domestic use. Marketing directly is something that British Coal failed or was not able to do, the nationalised industries being hemmed in by coal factors dominated by the old coal owners. In part this has been helped by Tower having a 'good product' in high quality anthracite.

Secondly in relation to finance Tower has been able to reduce its dependency. The original £2m loan from Barclays to purchase the mine was not fully required and the part used, repaid within the first year of operation. The TEBO paid the state £11.5m for the purchase of the colliery. This sum of money was made available as a form of 'hire purchase' agreement with £2m having to be paid each year. Tower has been able to achieve this with a little bit of 'technical' support from the Labour Government. The financial and managing director Tower is one of the few people from outside of the mining industry. He left an accounting partnership and became an £8k member of the cooperative on the same basis of as all the other employees. His professional expertise and advice has made a significant contribution. One bit of advice proved to very useful, in that Tower insured against loss of production when insurance companies were unaware of the full risks straight after privatisation. Payments from this insurance helped see them through the periods of crisis when coaling was not possible, keeping employees on full pay. Tower is now establishing its own insurance fund. Ownership succession is also becoming a problem with the single Tower share now being worth about £32k it can be very expensive when employees leave. Tower is not obliged to buy the share out, but has now established a trust fund to ease the process

Although Tower is very vulnerable to the large electricity contract it has been able to take some innovative steps to reduce the contingent influence of both market and capital, easing the pressures toward self-exploitation over the six years of existence. In relation to the final point made in the last section, if Tower is to have a life beyond the reserves in the current seams, which are already 4 miles beyond the shaft, it will have to finance the opening of new seams and it may be beyond the cooperatives ability to generate these internally.

## 7. Decentralization.

'... to regard the majority of newly formed cooperatives in Britain as part of a coordinated movement toward a decentralised economy would be a major mistake.'

We have a wider economic dimension to our research that is referred to in the abstract, and primarily this about a local response to globalisation through a process of 'capital anchoring'. Making assets and added value less vulnerable to hostile takeover through spreading ownership. This is an issue in itself and is being developed in another paper.

In relation to Tower, it is clear that cooperative ownership has enabled the colliery to survive in a hostile market environment. State political and indirect financial support was critical in this process, but once formed it was the action of the cooperative itself that ensured success. Our evidence so far indicates that the cooperative arrangement not only ensured survival in circumstances that would have shut other privately owned deep mines but that the rate of investment is higher, and there is a higher rate of distribution to employees and the local community. It is more difficult to take over and asset strip a colliery such as Tower, where selling shares could also mean selling work. This did not prevent a number of cooperative bus companies being sold by their members to Stagecoach – so it may be necessary to look at some other ways – perhaps through trust arrangements – to be linked with single share ownership to bolster the inalienability of the capital.

## 8. Agents of change.

‘... supporters of cooperatives have usually regarded them as agents of social change, but we would suggest that needs serious re-evaluation in the light of developments since the mid-1970s. ... Those groups... should not ignore the contradictions in the contemporary cooperative experience...’

Mellor et al continue the argument by suggesting that cooperatives could follow three paths: agents of stability, being relegated to the status of conventional businesses; occupying the middle ground between capitalism or socialism; or, finally ‘shining lights’ for a new society. It was their final contention that de-generation to the first formulation was inevitable given the overwhelming contingent conditions under which cooperatives operate.

We would suggest that our research and analysis at Tower suggests that all three perspectives can be seen to be at work within the one organisation and are being articulated and worked through to various degrees. In this sense the Tower experience is profoundly ambiguous. Our research and analysis to date has indicated that it is by no means a foregone conclusion that the trajectory is toward ‘degeneration’. It is a static picture to see the worker cooperatives within these fixed categories, they are not mutually exclusive and moreover they serve to obscure real differences of experience compared with the top down owned and controlled organisations and the employment relationship that exists within them. There is a consciousness of the tensions within Tower and creative efforts are and have been made to ensure that these differences are maintained. There is an active effort to defy ‘degeneration’ and to rework these parameters.

In this sense we would refer to the Crossley concept of ‘working utopias’ where defensive resistance can in turn lead to a form of emancipated social and economic space that enables a process whereby – in this case – employee / shareholders to ‘work at’ a different cultural and political identity and at the same time expand their space by challenging the contextual contingent powers. It appears that in this case and with a more open perspective that respects the activities of the workers as opposed to pre-judging there may be something new to be discovered. Tower is a working example that does provide an inspiration to others in South Wales and increasingly internationally. At this time that inspiration is more about the period of defiance and takeover than the more complex picture of the cooperative over its 6 years of existence, the evidence so far would suggest that this experience also contains some useful pointers to the practice of emancipation.

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