

Social and legal aspects of the co-operative labor

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Prolegomena

Co-operative labor & co-op social identity

- The nature of labor in a co-operative is one of the **key features** of its **social identity**.
- It's not just a financial or technical issue.
- As a co-operative has a **dual nature**, economic and social, co-operative labor is not just an economic feature but also a social one.
- Here the **social** is understood by the **integrated** meaning of the term, which includes the economic, political and ideological level and the interactions between them.



What is a co-operative worker, that is, the member of the co-operative who works and is paid for it?

- Is he/she a boss ?
- a salaried employee ?
- a boss and at the same time a salaried employee ?
- a self-employed person ?
- something else ?



More questions

- What is the social significance of **unpaid work**, which is exercised in the co-operative (usually called voluntary), and what is its relationship with the paid one?
- How the nature of work in the co-operative is linked to the transformational **social narrative** of the co-operatives of the social solidarity economy (SSE)?





The co-operative labor according to ICA – CICOPA - ILO

The basis of ICA - CICOPA - ILO

An important basis for understanding the nature of labor in a co-operative is the relevant standards and the principles set forth in the global declarations and decisions of

- ICA (International Co-operative Alliance)
- CICOPA (International organization representing worker and social co-operatives, a sector of ICA)
- ILO (International Labor Organization)



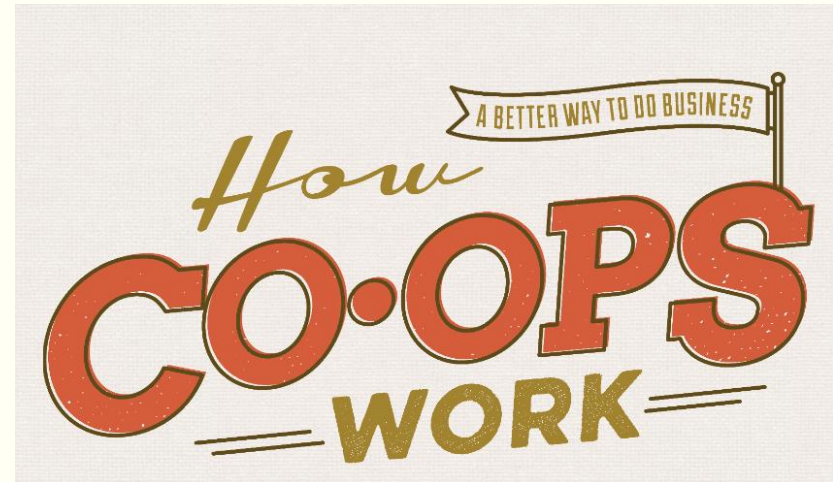
The fundamental approach of labor in a co-operative, includes three key positions:

1. the type of work done in a co-operative is a **basic feature** of the co-operative
2. **work is treated in the same way**, regardless of the type of co-operative, eg all the standards of the World Declaration on Workers' Co-operatives must also apply to working members of social co-operatives
3. the relationship of the working members with the co-operative should be considered **different from that of the conventional wage labor and the self-employment.**

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- *CICOPA, “World declaration on worker cooperatives”, approved by the ICA General Assembly, Cartagena, Colombia, 23 September 2005*
 - *CICOPA, “World Standard of Social Cooperatives”, CICOPA General Assembly, Cancun, Mexico, 16 November 2011*

Consequently

- For a co-operative member who works in a co-operative, this is neither a salaried job nor a self-employment.
- There can be neither bosses nor salaried workers, so there can be no "bosses-salaried" relationship in a co-operative





Legal aspects of co-operative labor

A confusion

- The legislation of each country defining the form of social security usually creates confusion about the labor nature in a co-operative.
- Under the laws of some countries, the working members of a co-operative are free to choose social insurance as salaried or self-employed.



According to Greek legislation

depending on the type of co-operative, the co-operative working member is

- sometimes required to have social security as a salaried (eg KoinSEp – social cooperative enterprises)
- sometimes required to have social security as a self-employed person (eg worker cooperatives)



But

- The type of **insurance** coverage (imposed by state law) of the co-operative working members **is independent of the co-operative labor nature and does not determine it.**
- The necessity for insurance cover of the co-operative working members **does not mean the acceptance and establishment** by the co-operative of the concept of salary and hence of the term “salaried worker”, that is the existence of dependent wage labor and thus the existence of bosses and salaried workers.



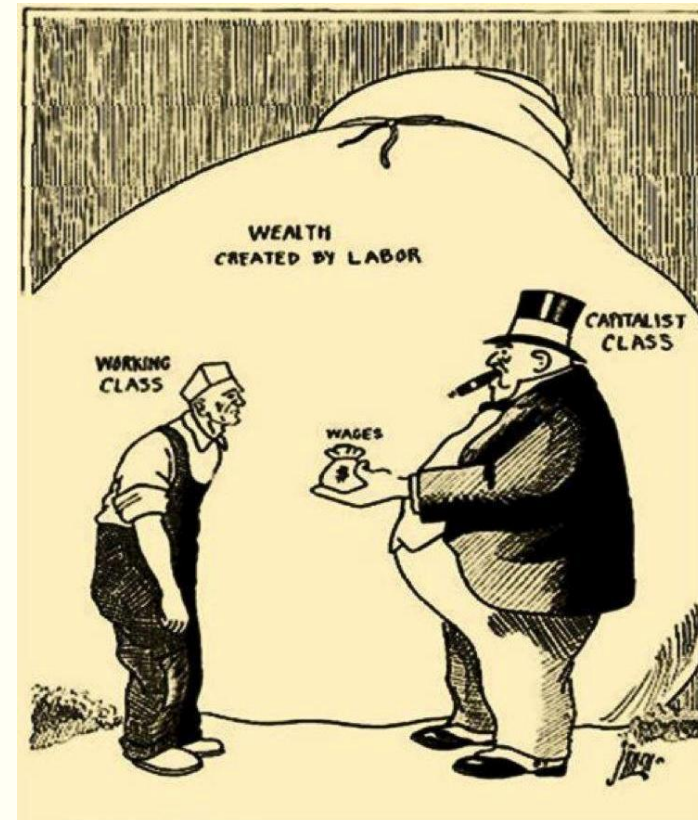
Social aspects of co-operative labor

The capitalist mode of production

is inextricably linked to the system of wage labor.

- Capital implies wage labor and
- Wage labor presupposes capital

- *There is not capital without wage labor and*
- *There is not wage labor without capital*



On the other hand, co-operatives

- Abolish wage labor
- They hire capital rather than labor (this is a fundamental characteristic)
- Employment is based on the purchase of a co-operative membership share, not the sale of workers' labor power.
- Any net surplus is distributed to labor, not capital



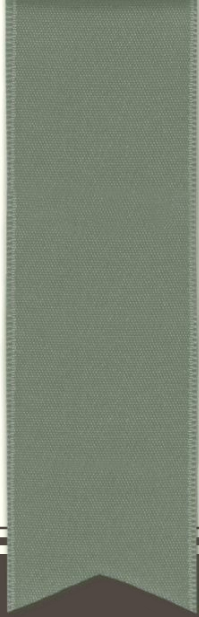
Co-operative workers

- convert the means of wealth generation into co-operative ownership and thus **abolish themselves as salaried workers** and become at the economic level free co-operative producers.



However, working in a co-operative is not just an economic activity

- This changes the superstructure (political and ideological level).
- The co-operative democratic organization on the economic level affects the political and ideological superstructure by training workers and citizens in:
 - democracy
 - active participation
 - decision-making and choices
 - and ultimately, bottom-up governance.



In conclusion

There is an **urgent need for legislation**

- to recognize that **co-operative labor is another form of labor** that is neither wage labor or self-employed





*Thank you for
your attention!*