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New Identity via Cooperative Movements

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New Identity via Cooperative Movements

Abstract

Different social trends can be seen in the changing labor market. One is that some groups are searching for a new and better identity via their working life. In the Swedish social democratic welfare state, with its huge public sector, large groups are now tired of the many bureaucratic rules and the low status of the work. In the purchaser-provider system they start a cooperative company of their own and start bidding for contracts. The aim is not primarily to make money but to be able to influence and control their working situation in a more democratic organization.

A changing Swedish welfare state

The Swedish social democratic form of welfare state¹ has for some years been experiencing a crisis. Like in other countries different factors like an ageing population, a slowdown in economic growth, a growing resistance to high taxes, privatization of economic and social activities, increasing international competition and ascendancy of market forces have together questioned the viability, efficiency and utility of the welfare state.

The welfare state has been criticized in Sweden as well as in other western countries for several reasons. It is supposed to suppress the market and the will to work, save and invest money. The social security system has not been able to meet new needs created by changes in the family structure and employment, an ageing population and a large number of immigrants. As patients and clients the citizens have very few possibilities to influence what kind of service they should be given or how they should get it. The civil servants are regarded as highly bureaucratic. More and more voices are heard urging a better performance from the public employees and a more appropriate organization of the public sector. The whole sector has got a bad reputation and a great part of the blame has been put on the public employees within social services.

After years of expansion of the welfare state, the 1990:s have been characterized by restraints in decisions and actions. 1999 the Government gave a commission to a number of scientists to make up a welfare balance sheet over the 1990:s. The final report was delivered in October 2001². Here we can read that the share of people with some kind of welfare problems has increased during this decade. More people today experience economic difficulties as well as mental and psychical problems. In the public sector the working conditions have changed to the worse. The relative wage situation has deteriorated, especially in local authorities; there is an increase in negative stress and because of this also in number of long time sick-listed.

There is a growing political and fiscal urgency in Sweden to find models for renewing the public sector and rejuvenating the welfare state. One alternative is different kinds of organizational changes like the purchaser – provider split and other measures inspired by the new public management. Another is to rely more on the voluntary organizations. This sector is however not very well developed in Sweden; this kind of support has not been needed in a country where the state has taken a comprehensive responsibility. A third alternative is privatization but there is skepticism towards this alternative in the society. During the last years there has however been a change. Small units are encouraged to privatize. This is justified by a wish for increased democracy and efficiency.

¹ See categorization by Esping-Andersen

² SOU 2001:79

Privatization and contracting out has led to the growth of many new types of social enterprises, which have become an important alternative to the public provision of social services in some areas like day care, education and care for the elderly and disabled. Among these new organizations we find a growing number of cooperatives run by workers, clients or a combination of both groups. If the public social services had been working perfectly, there would have been no needs of cooperative movements. But this is not the case in Sweden today. People are looking for new solutions where they have to rely on their own capabilities and can develop their own strength, and starting or joining a cooperative is one of these solutions.

The aim of this paper is to discuss different explanations to why groups of staff choose to start a cooperative. As work is seen as an essential part of human life and individual identity, I will focus on one special reason, that of creating a new identity escaping the bad reputation of the public sector. There are many studies done on the advantages the cooperative movement is supposed to have on the society as a whole including different democratic and economic aspects. In this paper I have focused on the problems from the staff's point of view. The material is collected from different investigations about public and third sector working life and also an interview with a representative of KIC³.

Social values of cooperatives

Cooperatives can be defined in different ways. It could be a part of the social economy, of the third sector between the public and the private sector or it could as private self-help organizations be a part of a liberal market economy. In this last case the main distinctive feature of the cooperatives compared with commercial organization is their aim to serve the economic interest of their members who are both owners and users of the enterprise. But the small scale can be a problem. In order to remain in business the cooperative have to grow, to merge, to professionalize their management and they need more money than the members are able to provide. This means that the work has to be extended even to non-member customers otherwise it would not be possible to compete in the market and there would simply be no services to members and customers.

Here we are more interested in the approach regarding cooperatives as a part of the third sector with certain values and principles different from commercial enterprises. People start or join cooperatives because it will give them economic or social advantages in turn of their contributions.

The model of cooperatives is supposed to promote greater worker participation and co-determination in the provision of social services and thereby improve the work environment. Social enterprises do not seek to maximize the return on capital but accept a lower economic return on their efforts in order to achieve other important social goals like a meaningful occupation for the staff and stimulating working conditions. This will to fulfill several goals simultaneously may lead a better trust between staff and clients. The consumers of the services will realize that the work is not just a way of making money. This trust can contribute to a renewal and enrichment of working life, giving the staff a new identity.

³ Kooperativt idécentrum,

In many cooperative clients are no longer regarded as passive users of services but co-producers making an important contribution to their own care. This fits well into the demands of today for a more client-centered service with a greater freedom of choice and possibilities to influence the work.

Public provision often implies standardization of services according to the political will and professional judgments. However such mass production tends to alienate both employees and clients. Innovation and flexible local solutions are rare things in such a system⁴. Private sector provision and competition among providers are supposed to lead to those advantages but in a small private company the employees face strong economic constraints and the larger firms tend to struggle with the same bureaucratic problems that we find in the public sector. A worker cooperative may be a good model for renewal and enrichment of working life as it combines the roles of being an employee and owning a company. But there are also some risks connected to this production form. The members of the cooperative may ignore some of their own interests as employees if they have to fight hard for getting new contracts. There is of course also the opposite risk; that the members invest too much in the working environment at the expense of the clients⁵. The goal of promoting worker power in that case becomes too strong.

In the work of Karasek and Theorell about working life it is stressed that the greatest risk of physical illness is not the workload but the lack of control over how one meets the job's demands and the possibility to use one's skills. It is the organizational structure of the work that is essential⁶. To this demand and control discussion another dimension should be added, the one of social support. This means helpful social interaction at all levels from both coworkers and supervisors. A good work means possibility to personal development, responsibility and stimulating challenges. To work hard is not a problem as long as you can control the situation and have these other social and organizational benefits.

The special values of cooperatives can be read in a statement from ICA 1996⁷. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. The members believe in the ethical values of social responsibility and caring for others. A number of principles serve as guidelines for cooperatives. The membership is voluntary and open, the organizations are democratically run after the principle one man one vote, surplus could be used for developing the organization, setting up reserves and benefiting members. Members, representatives, managers and employees should receive training and education in order to contribute to the development of the cooperative. Work together with other cooperatives is encouraged. This picture of a cooperative must of course be regarded as an ideal type, not every cooperative live up to this image.

Cooperatives do not have a total altruistic approach. The question is not only how to help people with different disabilities, but also how these people can help themselves by being members of a cooperative. However cooperatives respond to the needs of the society, including disadvantaged groups, promoting inclusion.

Not everything is positive. Pay levels are still low and this is, like in the public sector, an obstacle to the recruitment of qualified staff. Another thing is that the jobs are often insecure while many contracts with the funding public sector are only concluded for one to three years at

⁴ See for instance Giddens 1994

⁵ See Pestoff 1998

⁶ Karasek & Theorell 1990

⁷ Statement on the Co-operative Identity, International Cooperative Information center

a time. In-service training is today an integrated part of working life but it could be very expensive for a small organization. As we see there are reasons for cooperatives to cooperate even if they at the same time have to compete with each other for getting new contacts.

Identity

Identity is not an easy concept. It is about the subjective concept one has of oneself in relation to others but also an identification of a person or a group of people as belonging to a certain culture or group. It is a certain tendency of human being at both individual and collective level. The identity is constructed and reproduced by a number of forces and acts. Political identity may be individual associations with particular collectives, for instance I am Swedish or I am a woman. There are many possible bases for political identity; each person is made up of multiple identities that provide the person with a certain role⁸. Two bases of interest for this paper are gender, as workers in social services are mainly women and social class, here being a low-level public sector employee or a belonging to management group in the private/third sector.

There is no clear answer to the question why individuals have a particular identity. A rationalistic perspective tells us that there is a link between identity and material interests. The political identity becomes an expression of a person's social location. Against this stands the constructivist approach, which claim that identity is always socially constructed, it is a product of human interaction. According to postmodern ideas identities are not fixed, it can be formed and reformed more or less at will. There are no absolutes like social class or ethnic groups, and identity formation becomes a matter of choice and circumstances⁹. Self-definition and self-understanding are subject to change. In this paper I am interested in if the workers who start a cooperative consciously have chosen a new identity.

Problems in public sector work environment

Privatization is often discussed as an alternative to publicly provided services in order to coop with the problems of the welfare state. The debate has been very intensive with strong arguments both from left and right side of the political spectrum. Today many public employees compare themselves with those in the private sector, something that has been reinforced by PPP, private public partnership. According to this idea, the public sector should learn and develop from experiences in and cooperation with the private sector. In Sweden however, private sector social services is not totally accepted. It should not be possible to make money on other peoples problems.

Some researchers mean that now it is time for consolidation of the public sector¹⁰. After years of curtailments, rationalizations, reorganizations and misuse of the public sector staff's capacity, we simply need more money to the care, piece of mind essential for work and no more experiments. To focus on privatization, as it is done today, will not help winning back the citizens' confidence in the welfare state. These arguments belong to a special way of looking at the ongoing privatization debate, as a way of attracts the interest from the real problem, which is the lack of resources. Privatization of financing and providing is in Sweden still a very marginal phenomenon, but publicly financed service provided by private organizations has grown tangible. Also among the publicly provided services we can see different forms of marketisation in the spirit of new public management.

⁸ Rosamund 2002

⁹ Axford 2002

¹⁰ Vogel et al 2000

The movement towards privatization seems to be global and is also noticeable in Sweden. It is however important to distinguish between the ends and the means of social welfare. Social welfare as entitlement to an adequate income or service can only be guaranteed by the government, this is something totally different than deciding whom the most effective service deliverer might be. The debate in Sweden about privatization is confused in this matter. Providing service is mixed up with financing service. We also have to distinguish between privatization via the market associated with commercialization, via the family and informal local networks and via the third sector as a kind of cooperativisation¹¹. When users or staff or both take over it can be in the legal form of an ideal organization, an economic association or a private firm. All this is very seldom touched upon in the debate and it is difficult or often even impossible to separate the different forms in statistic reports. This means that it is sometimes hard to tell what different actors mean by privatization and in consequence of this which alternative they prefer and their opinion of cooperatives.

The Swedish Municipal Workers' Union, Kommunal, made some rather hard statements regarding Swedish welfare during their annual meeting 2002¹². These statements are remarkable since Kommunal belongs to the powerful Blue Collar Union, LO, which is both an architect and an advocate of the Swedish publicly provided welfare system. According to Kommunal, there are a lot of problems in Swedish public sector, in day care for children, in medical care and in care for the elderly. At the same time 112 000 members of Kommunal are unemployed. They feel denied the right to professional development. The public sector employers have failed in their mission to secure welfare for the citizen and to develop the work for those providing this welfare. The Swedish model is breaking down. One mistake is the top-down perspective, which has resulted in a waste of competence and money. Another is the bureaucracy with too many rules and a hierarchic organization. But the solution to these problems is not commercialization, privatization or a provider-purchaser split. These expensive experiments have been unsuccessful. The vision of Kommunal is a solidaric sector where every co-worker is entitled to make dissensions over his/her own work.

Further on the labor market should be widened for the members; the welfare needs of the citizens could be satisfied by public employers but also by new kinds of employers like personnel cooperatives. Pluralism is good in the way it forces public employers improving their performance. As a proof of this an investigation among members who have left for the private sector was mentioned and where a majority answered that their opportunity to growth has increased with the change of sector. In order to improve the working environment further a certification possibility was suggested in order to create good working places, private or public ones. While it is the public sector that is the guarantee for the welfare, the public employers must be the best ones. It was also said that the citizens should be able to choose their services but the competition must be on equal conditions. 70% of the members could imagine private providers of the welfare services. Welfare services that were a "natural monopoly" (example given was emergency hospitals) should not be privatized.

At St Göran, the first Swedish emergency hospital that became private, Kommunal made a survey among its members to find out what they thought about privatization. The picture is not unambiguous but the majority seems to be positive in a cautious way. Some members say that they had enough of the county council politicians. These politicians have let them down so many

¹¹ Pestoff 1998

¹² Kommunal 2002

times. Stress, bad working conditions, lack of influence and a low salary are the most common reasons to dissatisfaction among the workers.

In April 2003, Kommunal had enough of the many problems and at least to do anything, gave notice of strike action in a dispute over a new pay agreement. Kommunal demanded a general pay increase of 5,5% and a guaranteed minimum wage of SEK 14.000 per month for all members which still is a very low salary. The strike escalated and an agreement was finally made which was a great disappointment to the members of Kommunal. Their expectations were not met. 80% of the members are women and most of them low-wage workers. These women felt betrayed by their own union and many of them said that they would leave Kommunal. If they also will leave the public sector and if they will try to start a producer cooperative instead is to early to tell.

Former Deputy Minister of Industry, Employment and Communications, Mona Sahlin has now officially admitted that the public sector has failed as employer. Many women on lower levels in the organizations have strained themselves over the breaking point. That the working environment is deteriorated is confirmed in an investigation made in three different local authorities¹³. According to the results, the number of employees in community care who believe that they can influence their working conditions has halved during the last ten years, from 46% to 22%. 35% say that they often have too much to do, compared with 14% 1991. We can see that it is not only the workload that gets heavier; it is also the possibility to control the situation at work that decreases. This last factor is the most serious one concerning work environment.

A number of reasons are given to the increase in number of sick-listed because of psychosocial factors¹⁴. The most important ones are low performing managers, no possibility to influence the work situation, poor chances for professional development, a poor adoption of professional knowledge, no feed back on performance, a bad reward system and no improvements in the near future. All these factors are unfortunately not uncommon in the Swedish public sector of today. But it is not only this sector that faces problems concerning the work environment. According to one investigation the share of people who claim that they have a too heavy workload, that they have a limited influence over the work and that they never or seldom get any support and encouragement from their managers is between 30 and 50 %¹⁵. The fear of being dismissed stop people from protesting. Because of the labor law saying "first in first out" they do not dare to change employer either, to change organization would put them in a less favorable position if redundancies were made at the new place of work.

To get an idea of the political standpoints, let us for have a look at the party programs before the last election 2002. The Social Democrats are concerned about the recruitment of staff. It must be more attractive to work within social services and to reach this goal it is necessary to improve the working conditions. Influence over the working situation and working hours, a possibility to develop professionally and to get further training are arguments mentioned. The Left Party means that the care should mainly be publicly provided. Also here the working situation of the staff is noticed. Training, supervision and better working conditions, including increased salaries and more influence, are needed. Increased knowledge among the staff is also wanted from the Green Party. The clients need stimulation through different activities. In order to carry out this, the staff needs further training in nutrition but also in communication skill. The cooperation between local authorities and county counsels must be improved. We can see that all three

¹³ Arbetslivsinstitutet 2001

¹⁴ See for instance Almgren, 2002

¹⁵ Levi, 1999

socialist parties, the government and its both support parties, are concerned about the public sector work environment and how it should be improved. In the programs of the non-socialist parties we do not find so much of this because they all want a more mixed economy of welfare. Other providers should be let in, in order to increase competition, efficiency and freedom of choice for the clients.

The development of the Swedish third sector

In Sweden there is a growing interest in all organizational forms associated with the social economy. One reason is the importance of local citizens groups for the development of democracy. Grass root democratic involvement is of great importance to vitalize democracy in a time of globalization and both working place democracy and democratization of the local community are essential parts to ensure the survival of democracy. There is an ongoing debate whether social economy can help develop democracy at the local level through different kinds of user groups and in this way vitalize the political system, if it can, still on local level, create new job opportunities and if it can help creating a new local identity in the country side¹⁶. But there are also other reasons, more essential to this paper, to focus on the third sector.

Cooperatives, both worker cooperatives and consumer cooperatives, are among the most expanding groups in the Swedish nonprofit sector during the 90:s¹⁷. Although many of them are young and on a small scale, they are often presented as an important answers to the public sector inability to deal with a number of welfare problems. It is not only accepted that a group of staff opt out of the public sector and start a cooperative, they are also encouraged to do so.

In the revised Social Care Act that came into force 1998, we find a new paragraph where it is stressed that social welfare should support the next of kin. In this context third sector organizations are also pointed out as important actors. It is said that

The voluntary organizations have an important role as complement to public support of the next of kin.....local authorities ought to cooperate with both voluntary organizations and relatives¹⁸.

This new interest in voluntary organizations and the informal sector is partly based on worse economic conditions but also on ideological criticism of the welfare state. In a speech at the Kommunal annual conference 2001, the Prime Minister said that the government is prepared to invest in development of non-profit enterprises within care, medical care and education. These companies can guarantee a plurality without profit motives.

The social democrats have made a gradual retreat regarding privatization. From the beginning public ownership of welfare organizations were taken for granted, later voluntary organizations were accepted and gradually also user and staff cooperatives. Now even private entrepreneurs are accepted but only if they do not have profit as their main goal. Cooperative organizations, where the staff take over and run an organization have a high acceptance.

Some of the established third sector organizations have complained during the last years. As the situation is today, they are supposed to be complement to the public sector. They should fill the gaps in the public services but also work as advocates for different groups and question some of the public sector behavior. If they should serve as entrepreneurs they must get paid for their

¹⁶ See for instance Regeringskansliet 1999

¹⁷ Wijkström, 2000

¹⁸ Proposition 1997/98:113

work. With the level of grants they have now it is not possible to do more work and not to develop any new work forms or in other ways being innovative¹⁹. We can see clearly here that traditional voluntary organizations like Stockholm City Mission, The Salvation Army and Swedish AA will have a new role in the welfare society but this role is still very fussy and not in accordance with the level of resources provided to them. This is not a good ground for the development of new forms of social enterprises.

1997 an interdepartmental working group was established to develop social economy. Especially the relationship to the public sector was in focus. On regional and local level Stockholm is interesting as a kind of precursor and center for growth in Sweden. Here the county administrative board started a project in year 2000 with the aim of clarifying the importance of the social economy for growth and welfare in the region and to create a dialogue between the public and private sectors and the social economy. Different project groups have been created, for instance one devoted to elderly care with the aim to develop the work corresponding to new needs among the clients and to increase multiplicity of actors participating in the work. In this group we find a project about developing alternative provider forms that engage staff, the informal sector and the elderly clients themselves, and another that wants to utilize good examples of welfare pluralism in the region and also encourage the staff to take over and run some of the work. Beside these groups a number of conferences have been arranged and different investigations have been carried out, all in order to find new solutions and inspire citizens to take new initiatives.

Another aim of this work is to try to create new models for multi stake holding cooperatives as a renewal of the public sector, where staff, citizens and users can cooperate. Local development groups are created as bridges between different groups and interests. The role of the County administrative board will be to legitimate the importance of the social economy in growth and welfare within the region, to create the necessary conditions for a dialogue between the actors, to promote exchange of experiences and to suggest changes needed for the development.

In Stockholm a number of investments have been made in the social economy. 1995 the social democratic local government gave 500 millions crowns for different social environmental projects in 13 of the suburbs in Stockholm. So-called cooperation groups were supposed to be created deciding what to do. Additional money has been provided but this time more clearly focused on physical environment. The cooperation groups have had their influence circumscribed. But the groups did not give up. One council for local development today has about 30 groups, some of them calling themselves "byalag"(village associations) together with other associations such as tenants' organizations and church connected organizations. The council gives advice about how to start groups, help with training and mediate contacts with researchers. The inspiration comes from the countryside where local development groups have got about 80 000 members the last years. In many small towns and villages in Sweden it has been a great problem to keep the school, local stores and other services and the citizens have mobilized in order to keep their town alive. Two experiences have been drawn from this work. One is that the initiative ought to come from below, it is not successful when the local authority try to construct a citizen perspective. The other is that the social democratic form of welfare state has many advantages but it can sometimes make people passive so they forget their own strength. Too much has during the last years been adjusted from above.

¹⁹ Södermalm June 1999

So far this work has also pointed out some limitations and hindrance for the social economy. One is the incentive to start an organization, there are financial and even legal problems connected to the sector that ought to be closely studied. Non-profit organizations have lost market shares during the last years, mainly because of the bureaucracy around the purchasing process but also as a result of financial shortcomings²⁰. Another one is the problem of size and growth, in large organizations the members complain, like in the public sector, about lack of influence. A third problem is the attitude among civil servants and politicians, they seem to have difficulties to let go of the power and they also are not very well informed about different kinds of alternatives and their forms. One suggested solution to these problems is to go through the legislation and to focus more on social account in order to show the advantages of the social economy.

In a conference in October 2001 a number of third sector organizations presented their problems. Some of them were internal like the difficulties to recruit volunteers. The representatives wanted help from the local authorities with different kind of training program for the staff. The financial situation was not the best, for instance was it very difficult to get any loans. External there was a great need to coordinate the work of different organizations; a kind of umbrella organization was wanted. Other problems were connected to the local authority. A plan from the different local authorities was something that the organizations were missing in order to be able to plan their own work in the long run including privatization, staff taking over and competition. They also wanted to participate in the decision making process from the beginning as more equal partners. All the speakers complained over the bureaucracy, they had far too much administrative work to do. They had experienced some conflict with the professionals and they sometimes had problems with the public sector attitudes. The culture within these authorities had to be changed and they were very well aware of that this process would need time but their tangible suggestion was that they together sat down and discussed forms and level of cooperation.

Identity in Swedish cooperatives

About 500 cooperatives are started every year in Sweden and two thirds of them come from the public sector and have their financing from local authorities. To that comes about 50 cooperative advisers employed in 25 local cooperative development centres. 1997 there were 7200 people employed in cooperatives within the social- and health care sector. The number is slowly growing but many people hesitate because of all the problems around the purchasing process²¹. On average they had seven members, but the size varies, about 20 of the cooperatives had more than 20 employees.

There is a great risk that the contract will not be renewed. Many local authorities have after an election where the left side has grown more powerful, decided to take over and run the business. There is also a tendency that higher-level politicians and managers in the local authority together with managers for the large international for-profit companies decide who is going to get what contract. This proceeding is of course contrary to the law, but difficult to track and prove. But even if this does not happen, the time for a contract is often not more than two to three years. Normally it gets prolonged with one to two years before a new purchasing is conducted. A cooperative needs to develop in peace and quiet, get a functioning team, develop its idea and set these into practice. This is very difficult if it is not possible to work with a long-range planning.

²⁰ Dagens Nyheter, DN, 010903

²¹ Interview Eva Johansson KIC

Another risk the cooperatives have to face is that the local authority may change the rule of the game. They may due to economical difficulties cut down on the amount of compensation but still have the same demands for a good quality performance or they try to put on a heavier workload to the same price. These unpredictable behavior from the local authority frighten all presumptive providers from bidding for a contract but perhaps most the worker cooperatives as they are most vulnerable. They put in their whole engagement, spare time, economy and joy in work and because of this have more to loose when losing a contract²². All these economic risks together with a fear of all the work to be done are the main reason why people do not start a cooperative. An important aspect of the risk is that the local authority is often not only the biggest customer but sometimes the only one as well the financier of the work.

There are many problems for a group of staff that wants to start a cooperative. One is the lack of knowledge, experiences and contacts. People who work within the public sector do normally not have any experience of how to marketing, to build network, to negotiate about favorable contracts or to run a company exposed to competition. One problem here is that many people on lower levels in organizations are afraid of changes of this kind. It is mainly those with a higher education who dare to start a company of their own²³. Many women at lower levels in public sector do hesitate strongly to make this move. They are afraid of the financial risks, the responsibility to run a company and to lead a group of staff²⁴.

We can see that in Stockholm and elsewhere a necessary support of the infrastructure around cooperatives is developing. However there are still many problems left and much is to be done. Of special importance is to stimulate cooperatives and other organizations within the social economy to develop network in order to cooperate around marketing, fundraising and other important issues. If the politicians are serious about their attempt to support different kinds of cooperatives they have to go further along this line.

In the last years there have been several investigations suggesting better conditions for cooperatives²⁵. So far nothing has happened mainly because of a strong resistance from The Confederation of Swedish Enterprises, who very strongly object to any special solution. One fair alternative is the customer choice model, which give every provider the same conditions. When the clients choose according to their different preferences the competition is on equal conditions, something that is favorable to small organizations that face great difficulties in the purchasing process.

But there are many things connected to staff cooperatives that are regarded to be very positive. The reasons given to leave the public sector and start a cooperative are mainly the shorter decision making process and, even if the margins are small, the staff can decide more themselves what to do. Within local authorities the influence on decision-making process is very little for people working at the front line. It seems to be very important not to have a boss who does all the decisions. Just to not only to be forced to solve the problems but to be allowed to do so is of great importance. The freedom is important. They do not like the timetable in the public sector and the many restrictions. Of special importance here is the possibility to decide how and when the development of the staff competence should be done.

²² Wikström, 2000

²³ DN 000209

²⁴ Cantzler 2000

²⁵ See for instance SOU 2003:23

To be flexible and to decide together is of course much easier in a small group. The small size of the organization also brings the staff closer to the clients. Another advantage is the personal responsibility you have in a small organization. Some of the cooperatives have developed from an already functioning group in the public sector with people who already knew each other and worked well together. To be able to choose workmates and manager is a seldom seen luxury in the public sector. These groups have got a much better start.

The joy in the work is another important aspect. This partly depends on a higher self esteem and a preparedness to test new ideas, to regard one self as a entrepreneur. This is proved by the facts that the sick-listed are very few and that the staff stay on their post year after year which of course increase the unity in the group and develop the internal solidarity. But the motivation and the joy to be able to work for one self also leads to a hard workload. This is however not of any great importance according to the workers. Time is regarded upon differently than in the public sector where you do your work and go home²⁶. Small things like repairing, painting and cooking the food yourself means a lot of extra work but it also keep the costs down and increase the competitiveness.

There are also more business-oriented motives like efficiency and the obligation to administer the taxpayer's money as good as possible. Everyone is well aware of how much money there is and what it is spent on. If you are well informed in economic matters you are more motivated and do not count your own working time to the very minute. This is very different from the circumstances in the public sector. A kind of solidarity both towards the company and towards the group is developed. That everyone has the same salary is for instance common. This reduces the number of conflicts; to fight over the payment or to refuse to do more than is prescribed in the job description is not unusual in the public sector. Another difference, which contributes to the impression of a flat organization, is the fact that the managers also work side by side with the rest of the team.

However many feels that there is a resistance towards too much management and marketing orientation. There is a strong culture saying that social services should be publicly provided. To own and run a private company and make money on other people's misfortune is for many people difficult to accept. With this view a cooperative is better than a private for-profit company and there ought to be good grounds for the cooperative movement in Sweden. But even a cooperative need a certain amount of surplus in order to make investments, development and repair. Then it is odd to talk about customers and market shares. This problem varies a lot between different local authorities. In some areas the public administrators are very supportive. They who want to start a social enterprise get training in how to run a company, about different computer systems and business economy and legal advice. They are well prepared when they start. This is important, the process needs time, the decision to start a cooperative should never be stressed through. To have a unique business idea and do something that does not compete with the local authority work but complete it, does always minimize the risk of conflict.

To be able to develop the work according to one's own ideas without having to ask any managers is also an often mentioned advantage. The staff wants to provide a care as good as possible and complain that they are not met with sympathy in the public sector. To be able to develop their social competence, to give the clients a kind reception and an individually planned care are aims often heard²⁷. This is a way of working more as a professional. Investigations show

²⁶ Cantzler 2000

²⁷ Cantzler 2000

that the quality of the services increases when a cooperative take over²⁸. The staff is more motivated by an increased influence over the work than by instrumental rewards like a higher salary.

An interview was made at a primary care institution, which gives a good overview of the situation. The staff say that privatization would give them more control over their work and that a prospective surplus would not disappear into the county council budget. They don't believe that the patients would notice any greater differences. But they do not like the timetable for the negotiation and purchasing, they want to have more time to reflect on different alternatives. The staffs feel forced by the politicians²⁹. The non-socialistic politicians believe that privatization where staff takes over the organization and run it, will improve medical care. This will give a greater variety with more alternatives for the patient and any surplus can be used to hire more staff, develop the work and make investments for the future. Some of the politicians admit that the development perhaps moves a bit too fast, some of the staff would need more time to reflect upon their situation, if they want to take over or not.

A member of primary care team owned by workers confirms this. He means that the initiative must come from below; if it is enforced from above the result will be worse. He also stresses that it is not the profit interest that is the motive, it is the possibility to influence the work. Private entrepreneurs have to work hard, there is a risk of burn out but engagement and pleasure in one's work will reduce this risk. The working situation today in cooperative care is much more democratic than in the public sector³⁰.

The research around work environment confirms the optimistic view of cooperatives. The public employees have worse working conditions than those in social enterprises. They are less satisfied when it comes to the content of the work, independency, stress, risks and relationship towards managers³¹. Some experts also stress the fact that the organization of a public hospital is very hierarchic and because of this not well suited to the purpose of creating new structures and find new solutions. This can be true also for other large public organizations. Swedish investigations have documented how social enterprises enrich working life; a majority of the workers with experiences from both public sector and cooperatives preferred the later alternative³². The cooperative work has led to increased responsibility, education, awareness of service responsibility, self-esteem, all as a result of ownership of the organization.

Prime Minister Göran Persson said in a speech that the cooperative movement has been modern in Sweden for a long time and will continue to be so³³. At the same time as you make a living you work in community with others and grow as a human being. But some cooperative have been forced to start because of different kinds of crisis in the welfare sector. Groups of staff were told to take over because there were no other solutions. Instead cooperative should be seen as an inspiration to the public sector, people who could create something new and different. With this approach it is clear that people will get a new and much better identity when starting a cooperative.

²⁸ Wikström 2000

²⁹ DN 000105

³⁰ DN 000102

³¹ DN 000109

³² Pestoff 1998

³³ National conference "To start together", September 1999

Conclusions

According to a report from Ministry of Culture in 2000 the main general driving force of the social economy is the benefit of the public or the members of a particular association and not profit motive³⁴. What is then the driving force for these people who have opt out of the public sector and started a company of their own notwithstanding all the problems connected to this move? Difficulties when they seek to comply with labor legislation, difficulties in raising money, difficulties in getting new contracts and on top of this a very heavy workload?

As we have seen it is not an easy workload or new exciting tasks that make people start a cooperative within social services. On the contrary, the work is approximately the same; the workload has been even worse with a considerable degree of overtime compared with their former public sector experiences. To that should be added new problems like the uncertainty and risks when and if a contract is to be renewed, lack of experience and training necessary for the job and an insufficient cooperation with the local authority.

We must however not forget that these women come from a very poor work environment where there is hardly any room for professional development, where it is difficult to make one's voice heard because of a dominating top-down perspective, where it is difficult to change even small details because of the bureaucracy and where the workers have a very limited influence over their working situation. An important explanation to why they start a cooperative is that they want to escape from all this.

Even if there are problems connected to the cooperative the advantages are greater than the disadvantages. In a democratically run organization the codetermination is greater. To be able to decide over the work situation, to have an obvious influence over how the work should be done and not have any higher managers or rigid regulations that decide everything for you is the one single factor that is repeated most often in documents on cooperatives. It is also important to be able to develop the work. The staff does not just become providers under governmental contracts but they are striving to set the agenda in the social policy debate within their area. Other stimulating factors are social support from the coworkers, an opportunity to growth and pleasure in the work.

Many women testify that they work harder now than before at the local authority. It is common that cooperative staffs forget or even deny their own interest. But, as it is stated in the theories about a good working environment, this is not a great problem as long as one can control the work situation and have support from people around. Of course there is a risk that this good will can be misused by the local authority, but so far very few workers have left their cooperative to go back to the local authority.

I say that a very strong reason for this is that these women have deliberately chosen a new identity. To start a cooperative is one way of escaping the public sector image, becoming a new identity and no longer belong to a group of second class citizens. It is not only the salary that determines whether a work is attractive or not. In a cooperative the staff can not just leave the difficult decisions to their manager, they have to deal with them on their own. This make great demands upon on the responsibility and maturity of the staff making the job more exiting.

Running a company of your own and to be regarded to be on the same level as the local authority managers is of great importance. These things are said to mean a lot to the self-esteem³⁵. Many

³⁴ The Social Economy – a third sector for prosperity. Democracy and growth?. Regeringskansliet, April 2000

³⁵ Interview Eva Johansson

members testify about the well-being and personal growth because of the job. Pleasure in ones work and the fellowship in the group are important parts of the new lifestyle.

The members of the cooperative today have a much higher self-esteem than before. The best part is to be able to establish that they have succeeded, that they really have achieved well and that the result of their work can be seen. The cooperative and its work is a result of their efforts and nobody else's. Some say that the most important thing they learned from this is that they are much more capable than they expected³⁶. They are proud of themselves, proud over their success.

If we return to the principles for cooperatives we can see that in Sweden we have reached most of the goals, cooperation between different cooperatives is not yet very well developed. But the number of cooperatives is still low. If it is to grow, the political will to support the movement must result in more concrete measures at local level and the attitude towards the third sector must continue to change. Then more women will dare to take the chance to personal growth, responsibility and joy in the work by joining a staff cooperative; the chance to create a new identity for themselves.

³⁶ Wester 2003

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