

Setting the Course for Cooperatives

A chart of the shipping industry's human resources during the next millennium

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INTRODUCTION

My seagoing and shoreside experiences convinced me that there must be a more effective way for seafarers and shipowners to order their industrial affairs. Seafarers' co-operatives have the potential to bring lasting and beneficial contributions to maritime education and training and to the practice of operating ships. To work out the means of expression and implications before realising that potential is no small task. The resulting gains and costs to shipowners and seamen must be measured and evaluated. The absence of any cost/benefit analysis is deliberate on my part. No single formula can cover the many and varied circumstances in which such co-operative associations may arise. The priorities of a German or Japanese seaman will differ in significant respects from those in Ghana or Indonesia. No less varied are the ships and the shipping companies operating on different trades and pursuing their own managerial policies. My hope is that the Maritime Industry Research Institute (MIRI) will be asked to undertake feasibility studies within given parameters and produce results equally acceptable to seamen and shipowners.

Why co-operation? Because it has a respectable and tested pedigree in the economic and political life of humankind. Individual efforts are important, but team work is more so. The liberal doctrine of excessive individualism is presently wreaking havoc with the world's economic system. No society or community permits a single person, unless it has no choice in the matter for the time being, to do what he or she likes without reference to others. The issue was, and continues to be, the degree of economic, and thereafter political, freedoms any member of that society or community can exercise. Thinking and working co-operatively provides the optimum solution for society and its individual members alike.

What is co-operation? What principles govern co-operative behaviour and associations? What can the application of those principles achieve? There are answers to each of these questions and to the many more that arise when considering co-operation. It is doubtful whether there are a handful of shipping executives or seafarers in the world who even ask these questions. In many other commercial and industrial areas working co-operatively is a well established practice. Today, the co-operative movement embraces no fewer than 700 million individual members in more than one hundred countries. By definition, a co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Co-operatives are based on values of self-help, individual responsibility, democracy, equality and solidarity. Co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others. The following principles are the guidelines to co-operative values in practice: voluntary and open membership; democratic control - one man one vote; fair distribution of surplus; autonomy and independence; provision of education and training; co-operation with other co-operatives; concern for the community.

To support my arguments I quote only from the writings of Albert Mansbridge, the founder of the Seafarers Education Service, and from W.P.Watkins' book: 'Co-operative

Principles - Today & Tomorrow'. I have made no attempt to write an academic treatise on seafarers' co-operatives with the obligatory references. There is a considerable corpus of literature and published material dealing with all aspects of co-operation and co-operative practices, laws, values, education, businesses, etc. A number of titles are given in appendix 2 and appendix 3 lists some of the agencies of international co-operation where information can be obtained about the co-operative movement.

I would like to thank all those who supported me in writing and producing the book. My special thanks go to Julian Parker of the Nautical Institute in London for taking the trouble of reading the typescript and making his customary pertinent suggestions, to Mr. Iain Williamson, Chief Information Officer of the Co-Operative Union in Manchester for assisting with appendices 1 and 2, to John Noble of Murray Fenton & Associates for discussing with me aspects of the text. The Marine Society allowed me to use their library in Lambeth Road where I read, and made notes, from the books of Albert Mansbridge. I thank them for that facility and for the instructions received by correspondence in algebra and geometry during my 'lettmatros' days in the late 1950s on a Norwegian tanker before going for my ticket at the Board of Trade two years later.

I would like to know that every seaman enjoys his work on board his ships as much as I did. Sad to say seafaring has changed since my days. It has become more stressful and less rewarding, if not in financial terms but as a way of life. That change will continue in the same direction unless every one who cares for the shipping industry summons up the will to ensure that the change is for the better and in the interest of all concerned.

London, April 1999

CHAPTER I

DEMOCRACY AND FREEDOM EQUALS CO-OPERATION

Democracy and freedom are fundamental to each individual. Both are at hand, available and complete in context of a Robinson Crusoe like existence, but it has never been like that. Solitariness was not the survival and reproductive strategy adopted by our ancestors. Teamwork was the way of life chosen as biological necessity to begin with. Language itself could not have evolved and established without there being present a speaker and a hearer simultaneously. According to some, sexual selection was the chief driving force of speech. Be that as it may, our ancestors lived in groups where they felt safe and could prosper. Many tens of thousands of years later we also feel comfortable only when being part of a human group, be that small or large.

Team working is but co-operation writ in modern script. In the same way that 'nothing is nothing' according to an Australian aborigine proverb, everything has a beginning. Humankind's behavioural roots are discernable in the antics of our primate relatives, although we have long since improved our abilities to interpret, and react to, the world around us. Where and how exactly our remote forebears lived is still very much a matter of conjecture in view of the paucity of direct evidence, but it is inconceivable that a lone, one metre high, hominid, some 3 million years ago, could protect him or herself in the open savannah, the seashore or river bank, or wherever our early homes were. Without being able to run like the cheetah, or possessing the bulk and tough skin of the elephant or rhino, the only protection for the individual was in numbers.

Our very early days

We grew taller, the strength of our muscles and bones increased. Our brains also expanded and developed ahead of other mammals. As our ancestors multiplied, food and shelter had to be found and shared to sustain all members of the community. The idea that men hunted and the women stayed at home is a recent masculine invention. Before animals were domesticated and herded, the muscle and brawn of men were not needed. The premium was on manual dexterity, memory and intelligence where females were on par. In hunter-gatherer societies equality between members was the norm, atavistic desires of males to dominate in order to gain access to females notwithstanding. Everyone had to contribute to obtain food. Provisions had to be made for infants and their carers. Digging roots and tubers from below ground, and collecting nuts and seed above it, was the staple and stable mode of personal and communal catering. Finding succulent seafood in estuaries, fish, clams, whelks, oysters, etc. in the shallows of rivers and in the sea itself must have provided our ancestors with sufficient nourishment to excel and surpass in brain development all the meat eaters, let alone the herbivores, on the plains and forest in the neighbourhood.

Simple flint implements helped to fashion more sophisticated tools from wood and stone. By then verbal communications were also being established ensuring even greater

cohesion of the community. Ice ages came and went, seas retreated and returned, rivers and lakes dried up, the climate got colder then warmer but our ambulatory ability, curiosity and intelligence, enhanced by the discovery of symbolic language, enabled our ancestors to seek fresh sources of food supplies when compelled to leave their environment by the elements or other uncontrollable events of nature. Within the community violent and dissociable behaviour would have threatened the viability of the whole community and was unlikely to have been tolerated. We were far fewer in numbers then than we later became, and reproduction was the name of the game of life. That was only possible if individual members of the group co-operated in almost every aspect of their existence.

The early days

The first agricultural activities were indistinguishable from the hunting and gathering existence. As the conscious cultivation of some seeds produced quantifiable grain surpluses not required for immediate consumption, settlements arose and town development began in earnest at suitable parts of the globe reached by our peripatetic ancestors. In the valleys of the Nile, the Tigris and Euphrates, the Indus and the great rivers of China, villages and towns accommodated more and more people whose common and concerted efforts were essential to the construction and maintenance of canals and the irrigation networks. On the soundness of such infrastructure the town dwellers very lives depended for the old ways of getting food was forgotten or simply not possible by reason of the changed environment. The periodic, and often capricious, flow of rivers, the extent and vagaries of their flood plains had to be reckoned with and controlled where it was possible to do so.

In those days, there were no kings or tribal leaders to whip the multitude into line to repair canal banks and sluice gates. The motivating force was to ensure the survival of the community. Kings and rulers came later, after one individual, more clever than most, succeeded in a public relations exercise to convince others that his god was more adept in protecting his own piece of land than the gods guarding his neighbours' lands and crops. (Until then gods were personal, no more potent than good or bad luck charms). Thus private property preceded religion. From then on, our brain's symbolic ability never ceased to invent increasingly potent symbols to bind and contain human thought for often no better reason than to strengthen and reinforce acquisitive abilities of individual men, then of priests, tribes, nations and of everybody who has the ability to take the produce of other men. Zeus with his thunderbolt, Yehowah, divinity of emperors, judgement of the soul after death and a host of other images emerged to represent and underwrite earthly society's political and economic institutions.

The ancients

By about 12,000 years ago outlines of the hierarchical attributes of human society were present. Craftsmanship and metal working, the twin precursors of scientific knowledge, made their appearance. It was not long before the discovery was made that brute force of

men can be manipulated and used to take advantage of those more docile, weaker or less clever than themselves. Kings, high priests, pharaohs, scribes, emperors, armies, bureaucrats and the whole paraphernalia of state apparatus came into being, while the vast majority of people carried on with their lives. They were the people without history, while states often functioned as if people did not exist. Private property in land and movables, which included slaves, tools, farm implements, storage jars, animals, sons and daughters, ships, personal ornaments and weapons, existed alongside community property in the canals and irrigation channels. The community's gold, grains, staples and valuables were stored in the temple or shrine in the middle of the town or village in view of all to be used in times of famine or other emergencies. Tax collectors and armies appeared and went away at regular intervals, but the community remained, self-supporting and self-reliant. The spirit of co-operation kept societies of the common people, if not their betters, in being throughout the millennia before the smelting of iron and the discovery of phonetic writing ushered in more sophisticated modes of exploitation of nature and humans alike.

Around 2000 years ago

By the Roman republic the plunder and robbery of the land and man's produce were refined and systematised in the functions of states from western Europe to eastern China, from the centre of the Americas to Tierra del Fuego. Only people of the great plains and forests, where room to move was not constrained by the presence of people, were free from servitude or impositions. When kings and emperors could not enforce their will, large and small landowners took over the machinery of exploitation and benefited accordingly. The common people rebelled, ran away or turned bandit. Recorded history is a narrative of slave revolts, peasant risings as much as of naval battles, intrigue of magnates, exploits of generals, kings and their mistresses. Since the economy of the globe was based on agriculture, cultivators of the land, where they were free to do so, lived in small communities bound by voluntary or involuntary co-operation in most aspects of their lives.

In the Middle Ages

In medieval Europe under feudalism peasant villages were comfortable communities and lived well when the harvest was good. They suffered from famine when the harvest failed, were visited by plagues, soldiers and the lord of the manor's stewards. They fought enclosures of their common land to turn it into pasture for their master's sheep. Peasants and workers on the land shared the same problems, and found similar remedies for protection, in all parts of the world. Cultural or religious beliefs sometimes helped them, other times worked against them. The exploiters' bacon was saved by the seemingly insatiable desire and ability of humans to reproduce. As long as the poor and defenceless existed in large numbers, there were sufficient hands to till the soil, to serve as soldiers and to administer to the master's every want. The poor survived by sharing among themselves what they had. They laboured on each other's fields in turn to gather in

harvest, borrowed each other's plough and hoe to plant the seeds before the winter snows, used what little cash money they had alternately, a primitive tontine where families took turns to spend the community's cash balances on themselves. According to patterns of land holding, forms and extent of obligations to outsiders, the community took care to nurture its own and to ensure its own survival. Co-operation was a necessity.

From the Industrial Revolution

With the advent of the industrial revolution, co-operation of the poor became an ever greater necessity, but more difficult of accomplishment. Until the arrival of socialist and communist ideas and their formulations into political principles, the only civilised economic self-defence against capitalism was co-operation of workers and consumers, respectively. Not that such, or any defence for that matter, succeeded until poverty itself begun to ameliorate and political consciousness found organised or institutional expressions. Factory production, assisted by advances in chemistry and other technical knowledge, enabled the possession of material goods to spread among the people. The trickle down of consumables, if not wealth itself, among the populace was uneven and patchy in Europe and non-existent outside it. (By the middle of the 19th century European aggression and colonial expansions had effectively taken out of the world's economy a number of hitherto successful states and reduced entire regions of the globe to virtual slavery and economic dependence on people of European origin). Humankind paid a very high social price for the material progress thus far achieved.

The sheer immorality of reducing Europe's poor to destitution and semi-starvation pricked some aristocratic and bourgeois consciences. The more energetic or god-fearing among them, and those inclined to socialism, responded by utopian suggestions, some of which survived for a short while, like Robert Owen's co-operative community in New Lanark, Scotland, and in France Charles Fourier's self-sustaining community - the phalanstery. Charitable intent and cash were insufficient to sustain lasting or widespread improvements in the poor's standard of living. Neither were the poor themselves equipped to manage business affairs and to accumulate capital, the object of their endeavours, from which to pay themselves wages, maintain schools for their children and to support the old and infirm among them. Modern forms of economic co-operation by non-capitalists appeared in England by the 1840s. The so called 'Rochdale principles' are the fountain of co-operative wisdom, their appeal becoming universal and enduring.

The industrial revolution transformed the lives of every person in Europe, and subsequently in all corners of the globe. Nowhere was that transformation more swift and cruel, as far as the common people were concerned, than in England. Almost overnight, within a generation of a few decades, small farmers, agricultural labourers, artisans, cottage industry operatives, were deprived of the ability to earn a living by manufacturing techniques and political impotence. Herded into towns and offered work in unhealthy factories, the poor fended for themselves -and multiplied. Refusniks were left to starve, rebels were transported to the colonies as convicts or hanged at home for stealing a

rabbit. Many quit the land of their birth as emigrants. Those who stayed began to organise. Combinations of working men, precursors of trade unions, were established to the chagrin of employers and active displeasure of the law. Friendly societies collected small, regular, sums from workers' wages, using the accumulated savings to pay sickness and old age benefits to the contributors. The first co-operators wanted nothing more than to purchase unadulterated bread flour from the corner shop.

The co-operatives get going

The first recorded attempt at consumer co-operation took place in 1760 when dockyard workers in Chatham and Woolwich, in the south of England, set up their own flour mill. Workers in other port towns took up the idea. Baking societies appeared in Scotland. The local millers went to law to stop the workers operating their own mill alleging nuisance or took the law into their own hands by burning down the workers' mill in Woolwich. In Sheerness, a small port on the river Medway in Kent, the nascent co-operative society opened up a shop to sell articles of necessities working men and their families regularly purchased. After numerous aborted efforts at co-operative shopkeeping all over England and Scotland, caused by official oppression of all workmen inspired associations, depressed economic environment in the country, fiscal and managerial incompetence born of inexperience of the co-operators, a group of men in Rochdale, in the middle of England, found the successful formula. Their shop, established in 1844, sold not only white bread flour without alum, tea without hedge clippings, beer without opium, but shoes made of real leather, clothing that did not melt in the rain, and other better quality consumables than were available in other shops.

Shops and Consumers

The Rochdale men solved one of the major difficulties which caused, at least in part, the collapse of many co-operative shops and other forms of co-operative efforts during the first decades of 19th century England, namely, how to distribute profits among members. Rewarding members as consumers was the key which unlocked the door to instant and widespread appeal to reasonable selfishness in human beings. The dividend principle was born. Additional ambitions to build houses, own factories in order to give work to the unemployed did not materialise in Rochdale, but the consumer co-operative society has been copied by others ever since. Their eight principles form the practical and ethical bases of all subsequent and true co-operative enterprises: (1) democratic control - one member one vote, regardless of the number of shares or capital a member possesses; (2) open membership - no one is turned away from being a member; (3) fixed and limited interest on capital - members may invest and contribute capital to the society but receive only a modest return thereon; (4) trading surpluses are distributed as dividends measured on the value of purchases made from the society; (5) cash trading - a sound economic practice at the time; (6) sell only pure and unadulterated food - the *raison d'être* of the co-operative association in the first place; (7) support and encourage education - a much needed initiative before compulsory state provisions became available; (8) political

and religious neutrality - laudable and mainly adhered to within the co-operative movement, but not always observed in some parts of the world.

The co-operative shop idea, buying in bulk to sell to themselves and thus saving on retail prices, proved very popular. The number of shops increased rapidly. By the end of the First World War, in the United Kingdom alone, there were over 3 million members of numerous co-operative shops and stores with a turnover of £88 million. The movement's popularity was enhanced by its campaign during the war against profiteering and its support for rationing, while its business success rested on the branch store and integrated wholesaling and manufacturing. These pioneering efforts in distribution and sourcing of supplies were novel and innovative developments to provide consumers with food and other articles of everyday living.

The ready availability of consistently good quality goods contributed to the commercial and social success of the co-operative corner shops which had greater appeal in industrial and seafaring communities, but were less popular in rural areas. During the second half of the 19th century co-operative shops, based on the Rochdale principles, appeared in the USA, France, Italy, Germany, Switzerland, Scandinavia, elsewhere in steadily industrialising Europe and in the white colonies overseas.

Artisans and small businessmen begin to co-operate

Next to take up ideas of co-operation were farmers whose need for money to live on until the harvest produced huge profits for the towns' banks and money lenders. The same plight afflicted artisans and small businessmen on the continent of Europe where the guild system and slow start of the industrial revolution managed to preserve them in business. They all needed capital. Loan societies were established by the 1850s, some modelled on the English friendly societies. Possessing one's own bank is one way of obtaining capital. In 1850 Mr. Schulze in Germany invented the Volksbank, the people's bank. Members subscribed for shares at affordable amounts, providing working capital. Liability was unlimited and the profits distributed after a minimum of 20% of earnings were placed into reserves. Members were granted loans on the security of personal guarantees from relatives or friends.

Banks as co-operatives

Mr. Raiffeisen's solution was to involve local personages, mainly the village priests, in the people's bank which did not even require share capital. The members' liability was unlimited, their farms and other assets guaranteed commitments. Deposits and small savings provided loan capital, and profits were not distributed but retained. Moral and community commitments were relied on to keep the bank's operation viable. By 1905 there were over 13,000 rural credit banks. As happened with the English consumer co-operatives, the German solutions to credit on affordable terms was found in co-operation

and was copied all over the world. Today, co-operative banking is a major player in the financial services industry of many countries.

Farmers' co-operatives

As one might expect, agricultural co-operatives also began to ease the burden of farmers when dealing with the numerous middle men who plagued tillers of the soils from time immemorial. Produce and seed merchants, fertiliser and machinery salesmen, abattoirs, cheese makers, butter factories made profits at the expense of the farmer. It was in Germany, the Low Countries and France, Denmark and the U.S A. where small farmers persisted longer than in England, that the first co-operative efforts were rewarded with improved earnings. Agricultural co-operatives take three forms: supply, marketing and production, respectively. The savings obtained through bulk buying of farm supplies is a clear financial inducement to co-operation. Mechanisation of agriculture ushered in by the industrial revolution made farmers dependent on machinery and fertilisers which had to be paid for. Collective marketing assisted farmers to obtain increased and regular prices for their produce. Taking control of food processing enabled farmers to acquire the added values inherent in such operations. The financial advantages of co-operation were not lost on farmers. Many belong to one or more co-operatives where they find shelter from the sharper edges of the global agribusiness.

Workers' co-operatives

Workers' co-operatives first appeared in France in the second half of the 19th century. Strikes and lockouts were frequent, preventing men from earning their living. Independent skilled workers needed outlets for their products and services. Groups of them combined to establish their own workshop and small factories. Their business fortune varied until government contracts were secured. State or municipal assistance played a large part their early survival. Private companies turned into workers' co-operatives tended to become labour co-partnerships based on the notion that increased production would be forthcoming under control of the producers. In Italy self-help societies were formed by landless peasants who cleared the marshes around Rome in the 1870s. In 1889 a law was passed to give such societies preferential treatment in awarding contracts. Voluntariness and democratic controls were emphasised from the beginning. Putting service before profits was considered important. Workers received the going rates for the job and shared the surplus equally or according to individual performance. The capital of the enterprise could not be distributed and remained indissoluble.

In the fluctuating harshness of capitalist economies the appeal of worker co-operatives was less spectacular than other forms of co-operation. No palpable inducement to associate presented itself to working men when a living wage could be obtained from the capitalist. The spread and increased industrial strength of trade unionism proved more effective in reaching the same ends. The additional burden placed on workers intellect

and character to manage affairs competently amidst the enterprise's competitors, left many working men at a disadvantage. Success stories, were many, the most spectacular among them the Mondragon complex in the Basque country of Spain. Their strong cohesive community spirit is based on common defining attributes of identity.

Housing and other forms of co-operation

Housing co-operatives suffered from the competition of state supported public housing, but survived. In many parts of the world they are thriving and very popular. The first community efforts to provide housing were terminating building societies. Such societies dissolved after the dwellings were built and each contributor to the society's funds moved into the house built for him. Before the First World War consumer co-operatives built houses for rent to members and for owner occupation. Today, housing co-operatives are of three, basic, types: those which only build the houses for individual owners to occupy after completion, those which remain landlords after building is completed, and those which manage properties as secondary co-operatives on their own, or on other tenants', behalf. There are variations on these basic models.

Co-operation in economic activities has its limits, of course, but the effectiveness of co-operative solutions to inadequacies inherent in the prevailing capitalist systems is undeniable. Communities can hire their own doctors and dentists, and a health co-operative is born. Caring for the community's old or young can be organised on co-operative basis. The bourgeois virtue of individual pecuniary responsibility for medical care and dignified old age pales into insignificance in the face of poverty and destitution endured by most of the globe's inhabitants.

CHAPTER II

THEORY, POLITICS AND ECONOMICS OF CO-OPERATION

Seafarers serving, or having served, under the Red Ensign, and shipowners carrying on business from Great Britain, know about the College of the Sea and the Seafarers Education Service. Some of them may recognise the name of Albert Mansbridge, whose energy and commitment led to the birth of both of those institutions. Few of them would know that Albert Mansbridge's "parents were convinced co-operators and [he] was brought into contact with the Movement as a child. [He] believed in it as an expression of Christianity in trade..." and he unashamedly held the view that "co-operation and trade unionism are the chief movements of democracy."

Albert Mansbridge lived during the final quarter of the last and the first half of this century (1876 - 1952). His active life spanned the decades of economic prosperity in Europe, when that continent's empires squabbled and most of their people at home, if not overseas, increased their material possessions, saw the awakening of organised political consciousness on the part of working men and women, the desire and unmet need for book-learning and education, when socialism and co-operation were respectable, and the fear of the labouring classes was irrational as before and since. His genuine and deep seated humanity brought labour and learning into active co-operation, the signal achievement of which was the founding of the Workers' Educational Association in 1903, later to become the Adult Education Service throughout the United Kingdom.

The first ship's library

The Seafarers' Education Service was conceived in 1920 after a Mission to Seamen padre from Rio mentioned to Albert Mansbridge that seamen had nothing but trashy magazines to read at sea during long voyages. Mr. Mansbridge invited delegates to a meeting in his office, which was in St. John Street, the Adelphi, between the Strand and the Thames, from the churches, seamen's trade unions, the Missions and various shipping bodies who agreed to provide libraries for use on board ships. The first shipowner to support the idea was Mr. Lawrence Holt, who permitted and subsidised the library service on six Blue Funnel steamers. The first ship to receive books was the 'Aeneas', whose library on board caused great sensation in Australia on her arrival there. The College of the Sea began to provide tutors in 1938, and is going strong (as does the shipboard library service) under the aegis of The Marine Society in London, providing sea-going tutors, supported self-study, examination at sea and a comprehensive continuing education and advice service.

What value education?

Whether "education is the redemption of the working class" holds true, as Albert Mansbridge believed at the last turn of the century now about to turn into the next one, is less certain, given the far more sophisticated global organisation of the capitalist economic system. The philanthropic and thinking Victorian gentleman thought that education and empire are inseparable and if the state, churches or any one else, educate people " you have reduced to comparatively insignificant dimensions the problems of temperance, of housing and of the raising conditions of your masses". As an added bonus, "education creates and sustains that empire of which it is the inner defence." (Quoted by Mr. Mansbridge from the book 'Education and Empire' by a Mr. Haldane.)

If it were that simple! Education helps, but it does not solve the problems of the poor. "In 1844 the weaver pioneers of the Co-Operative Movement at Rochdale, although it was not legal to do so, decided to allow two and a half percent of their surplus funds, ordinarily distributed in dividends, to the purpose of educating their members in industrial and social matters. This decision was historic because every healthy Co-Operative Society since has followed the example of the pioneers." Albert Mansbridge gives an example from " the minutes of the Grays Co-Operative Society (Essex)...In 1884 - it may be noted that the London School Board did no evening school work between 1875 and 1882 - three elementary classes were held in the Co-Operative Assembly Rooms at Grays on two evenings every week. These were continued up to 1887, but no government grant was claimed. In 1885-6 a teacher was engaged to teach technical subjects...Some co-operative societies which held continuation schools up to passing of the 1902 (education) Act have now handed them over to the local authorities...The Co-Operative Movement's connection with free libraries ceased only when the municipalities commenced to take action..." i.e. by establishing and maintaining public libraries financed from local taxes.

The merits and durability of co-operative principles owe their appeal to the historical fact of having been born out of reality. "The validity of co-operative principles is founded upon experience and common sense of many, not on a revelation made to or by a few...The primary objective of co-operative associations is normally to obtain power over the nearest part of the economic mechanism on which their livelihood or standard of living depends. They associate in order to perform the functions of ownership, organisation, direction and risk bearing ordinarily discharged in a market economy by individuals or group of entrepreneurs." (The quotations in this chapter are from the book by W P Watkins, a modern day theoretician of the co-operative movement: 'Co-operative Principles - Today and Tomorrow', published in 1986 by Holyoake Books, Manchester. The quotations in connection with Albert Mansbridge are taken from his autobiography and from his other writings.)

What is co-operation?

Co-operation itself is not a principle, but one of the "category of method, technique and system (owing) its existence to urge to develop an art of social organisation satisfying and reconciling certain vital human needs which are different, often divergent and may even be conflicting." Principles are moral postulates, while methods manifest themselves in practices, rules, conventions, usages by which the principles are carried into effect. There are co-operative solutions to economic and social problems which take into account certain fundamental and universal factors of human intercourse. The Rochdale pioneers sought "to arrange the powers of production, distribution, education and government in order to establish the self-supporting, united community."

The early co-operators were "driven by hardship, insecurity, oppression and injustice to examine the fundamental realities of society, and to build a better social system than that under which they suffered, they selected Principles which they found to be applied in the world at large in a limited and haphazard manner, often in conflict with one another. The criticism of contemporary capitalism, for example, was...that it pursued Economy with no regard or respect for Equity, Democracy or Liberty. It permitted the distribution of the social product to be determined by those with the greatest bargaining power in the market. It suppressed the self-direction of the craftsmen and replaced it by autocracy in the workshop and slavery of machines, even though it may have grudgingly tolerated some approach to democracy in civic and political life. That economic progress has been made and social welfare enhanced under capitalist auspices it would be idle to deny, but against these gains there is a heavy debt of human deprivation, misery, insecurity, and international and social strife."

According to co-operative theory, to work together, co-operatively as a team for a common good is an idea with its own principles of the following elements: Man/Woman is a social animal who (1) needs to associate; (2) must discover cost-effective ways to survive - manage our personal economy; (3) must distribute and satisfy individual contributions and needs, respectively; (4) requires organisation and direction - live with democracy; (5) wants to be free - voluntariness in participation; (6) appreciates that education is indispensable to social stability; (7) needs to exercise individual responsibility in order to function in society.

Association

(1) We all like to associate and regard those who do not as antisocial, eccentric or somehow odd of behaviour. We seek associations in wives, partners, lovers, school friends, mates and colleagues at work. The objects and aims of associations may include political, religious and economic solidarity. "Association confers power on the economically powerless by providing them with the means of making their numbers tell. Other things being equal, that is assuming competence in organisation and business policy, the greater the numbers, the greater the power and greater the benefits to be shared."

Benefits

(2) The correlation between costs and benefits was not discovered by businessmen, but is the bread and butter of evolution and the stuff of every individual's survivor kit. We all make calculation as to how to manage our personal economies for our benefit. There is an irreducible self interest in all of us which goes by many names. Proper, reasonable, acceptable, and similar adjectives imply a limit to our ego. No moral or ethical objection can be raised to the exercise of individual self interest within limits, but the issue is always the extent of those limits. Being part of a co-operatively administered economic unit should give an individual the best of the costs and benefits worlds. In moderating selfish demands, a member of the co-operative unit will gain stronger bargaining power in the market place where he or she has to make calculations to survive. Co-operation yields its material or social advantages to those who meet its demands for effort and self-discipline. "Economic advantage is the motive which attracts to the co-operative movement the great majority of its adherents and its economic performance sets the standard by which to judge its value to them."

Equity

(3) The distributive aspect of natural justice is equity. Co-operators are concerned with equity on different institutional levels. On the level of citizenship, the inequalities and unfair treatment of their fellow citizens by the economically powerful fills them with political apprehension and moral indignation. In seeking to remedy society's political ills co-operators are in the same public boat as their fellow citizen contending with the same elements. On two other levels their concerns are closer to home and more practical: How to adjudge evenly the contributions and needs of their members. The age old conundrum of how to exchange equitably, and in conformity with the principles of equality, the product of one man's labour against that of another, is resolved by economic co-operation. Consumer co-operatives solve it by returning the trading surplus to shopper members pro rata of the value of purchases. Agricultural co-operatives may pay farmer members according to the quality and quantity of produce marketed by the co-operative and share the financial benefits of bulk buying and food processing to agreed formulas. Workers' co-operatives calculate the respective values capital, labour and management contribute to the enterprise.

Democracy

(4) Democracy is by far the most sensible organisation in social, political and economic affairs of human beings. One member one vote is not the sum total of democratic constitutions but their foundation. "A co-operative exists to promote the interest of the whole body of its members. It must be managed with the consent and approval of the members, otherwise it will collapse. There must be therefore agreed

methods of ascertaining the members' wishes, as well as safeguarding against the society being managed or manipulated in the interest of a minority of them or of a single, dominating individual, or, yet again, of some external power, authority or institution...The effort to maximise the conscious participation of the members in the life of the society can never be safely relaxed. They must be continually called upon for contributions of vital significance, not simply to register formal approval of what is done in their name."

Workers' co-operatives, and a seafarers' society would be characterised as such, have to deal with two additional issues relating to internal democracy: self determination, on the one hand, and participation in management and control, on the other. "The claim to self determination is founded on the fact that the workers as a body have common concerns affecting their work and welfare in which employers are not interested in the same way. [Simultaneously] the more elaborate division of labour becomes in an industrial organisation, the more must success depend on teamwork, the essence of which is a united will for a common objective. It is generally accepted that good personnel management consists in the evocation and maintenance of a powerful team spirit within the enterprise [and] there is no necessary or inevitable antithesis between management and democracy, but rather the possibility of reconciliation on a deeper level..."

Individual liberty

(5) Liberty and freedom "individual and collective, [are] required by co-operative organisations as essential conditions of their functioning effectively [for] only those who are individually free are capable of taking collective decisions...Freedom is a product of the power which co-operation guarantees. Because it confers power on those who practise it, co-operation enlarges that freedom...The progress of co-operation demands at every important stage the surrender of lesser for larger liberties...Not a single act, but consistent, voluntary action implying countless acts and decisions directed over an unlimited period to consciously accepted common ends, is what successful co-operation demands of its participants; the personal involvement implicit by the terms of membership. The more co-operators are able to dominate their economic environment, the more widely they extend their members' freedom to command all kinds of economic operations instead of remaining subservient to them.

Much of people's thinking about liberty is still distorted by the individualistic fallacy which has ruled most Western thought on the subject for the past three centuries. It leads us into conceiving man's liberty as freedom from rather than freedom with his fellows. Disregarding the role of fellowship and society in any truly human mode of living...brings us...nearer to...chaos resulting from uncoordinated and uncorrelated specialisation. As the inevitable contest between individualism and interdependence sways first this side then to that, modern society is inherently unstable."

Always learning

(6) Human beings are insatiable learners, no less assiduous in that task than being procreators. Both are driven by our biological make up. Any half intelligent dictator or princely autocrat knows, or came to realise in the past, that suppressing knowledge is an impossible political task. The willingness to acquire knowledge is so universal that human beings cannot but learn by methods and the substantive subjects available to them. "Learning, like co-operation, is a form of self help...But learning for oneself need not imply learning by oneself, any more than self-help in the economic sphere excludes mutual aid."

Responsibility in society

(7) "Liberty cannot be rightly enjoyed or exercised without responsibility...Responsibility and function [are] two distinct but complementary aspects of the one concept. That which is function when viewed from the standpoint of society is responsibility when viewed from the standpoint of the individual...'each for all and all for each' signifies more than just community or mutual interest...When a man enters a co-operative society, he enters a new relation with his fellow men...The Rochdale pioneers would not deny or diminish a man's or woman's responsibility for himself or herself, otherwise they would not have been such ardent propagators of self-help, but they believed that a proper sense of responsibility, often enlightened, would lead men and women to organise themselves for combined action to achieve collective well-being...The vital bond is constituted by the concept of membership...Liberty, equality, fraternity and revolution left little standing between state with its sovereignty on the one hand, and the individual with his rights on the other. Association was one of the rights and, with it, the idea of function...Modern industrial society cannot do without function... There was, and is normally, no moral or social bond between company and shareholders whose interest is purely monetary.. a typical company is not a body capable either exacting or bearing social responsibility...The idea of function haunts contemporary economy. Capitalists with conscience seek to justify their activity and render homage to virtue by claiming that they are performing services to the community, even though they are working for profit. This, however, is not the functional system as a co-operator would understand it. Each co-operator, while answering for himself and his own welfare, is conscious of his trusteeship for the interest of his fellow members. This trusteeship includes loyal support of the society, economic action and also faithful discharge of all functions of membership, because it is under these conditions alone that the society can maximise its economic power and benefits."

Adjustment of relationships

The politics of economic co-operation by a group of people has internal and external aspects. The Rochdale Pioneers included as one of their founding rules 'neutrality in politics and religion' for co-operators. The caution was wise in the prevailing political climate in Britain during the middle years of the 19th century. Since then the rule has not been lost sight of, and was made more precise within the contexts of the modern rules by emphasis being placed on the requirement of voluntary and open membership. All those who took up the cause of co-operation in the movement's formative years had strong views about the ills of their society and ways and means of incurring them. The main conceptual division was between those who saw in the co-operative movement manifestation of class struggle, an instrument to socialist transformation, and the laissez faire liberals who wanted social harmony via the co-operative movement in order to obviate that struggle. Both had their day in history's court. There is not yet a verdict for society at large is unsure which way to go.

The co-operative movement itself survived the clash of political ideas and was able to preserve the original principles intact. It weathered two world wars with their respective aftermaths and world capitalism's recurring economic depressions and occasional prosperity. To ensure survival in a changing social and economic environment, co-operators' attitudes to rules of their associations had to be trimmed without compromising essential principles.

The very popularity and success of consumer, credit and agricultural co-operatives from their inception to the outbreak of the First World War in 1914, attracted undesirable suitors. Unscrupulous individuals and ambitious politicians sought to dominate, in their own selfish interest, the well meaning and honest members whose expectations from the co-operative association were more modest. State leaders and bureaucrats also realised, or fancied, the potential advantages of, or threats from, co-operative organisations within their bailiwicks. Motivated by greed and political beliefs, assets of co-operative businesses were stolen, nationalised or given to party members, and the free association of people for economic co-operation was curtailed or forbidden. In Italy, Mussolini's fascists destroyed a thriving co-operative movement, as was done in Nazi Germany. Communist governments were more astute, and stood on ideologically safer grounds, in fashioning the Russian, and after 1945 when the Second World War ended, East European, co-operatives into their own state controlled image.

The sheet anchor of the 'one man one vote' principle prompted the most disagreement among co-operators. The literal interpretation of principle in practice posed issues of economic efficiency and immediate, palpable democracy for many a small society. Jobs, dividends, other forms of benefit, managerial powers, local, regional, personal feelings and opinions combined and intermingled to render any decision only partly agreed. The internal arguments about the size and competence of co-operative societies took place in the context of competition from private and corporate retail traders, mainly supermarkets. It was resolved by forming federations and mutually compatible associations.

Conflicting aims of co-operators

The diversity and commercially antithetic activities of mature co-operatives were the cause of even earlier frictions. The widespread view that citizens should be producers of goods or services as well as consumers had to give way to the simpler and financially stronger consumer side of the movement. Intertrade worked well between agricultural co-operatives and consumer societies, nationally, globally and especially within the British Commonwealth. It was much harder to harmonise activities between workers' co-operatives, offering manufacture or labouring, and other co-operative sectors. Workmen producers, and their socialist allies, lost the argument by the turn of the century when individual membership of the International Co-Operative Alliance was abolished. By then, and subsequently, consumer and agricultural co-operatives became financially solid organisations, commanding substantial assets and sizable market shares.

Loyalties divided

Religious and political loyalties of co-operators were tested almost to destruction in the First World War. During the Second World War, the International Co-Operative Alliance from London kept in contact with German co-operators through Dutch intermediaries. The Cold War did not break up the Alliance as it did the world's trade union movement into two camps. Ethnic differences also played their part, and will continue to do so. Catholic social consciences, protestant work ethic and thriftiness were harnessed to the co-operative cause to reinforce the self-interest of individual members. The views co-operative societies took, from time to time, on political or economic issues attracted huge popular support, e.g. against profiteering and for rationing during World War I and for peace between the wars as shown by large demonstrations organised by the British Co-operative Women's Guild. Co-operatively minded and organised European and USA farmers were not slow to cultivate political contacts. Consumer and credit co-operatives also have their friends in law-making establishments. Christian and social democratic parties are the natural soul mates to turn to. In Great Britain the Co-Operative Party, set up in 1917, has traditionally been allied to the Labour Party and has a number of members in the British and in the European parliament. Arguing the co-operative movement's case, inter alia and usually, for favourable tax treatment for their businesses, being vigilant of administrative or legislative proposals which may impact on co-operative enterprises and members, co-operatives are no more or less effective than the normal runs of political mills for other similar interest groups in the same country or of multinational organisations.

The International Co-operative Alliance has grade A observer status at the United Nations and works closely with the International Labour Organisation in Geneva.

Economics of co-operation

The *raison d'être* of any co-operative association is economic or nothing. Unless members of the association materially benefit from belonging to that organisation, they will refuse support and leave it. Social benefits, the only ones a co-operative may be able to provide in some circumstances, are reducible to material gains for those, also, have to be paid for. The first task of any co-operative organisation, therefore, is to be financially viable. How to achieve that satisfactory state of affairs eluded many a co-operative society in the past and will do so in the future. In that respect, co-operatives have the same track record as commercial entrepreneurs whose companies fold, become insolvent, are bought out by competitors or simply cease trading because of lack of business.

Co-operatively owned and managed businesses are subject to the same commercial and fiscal influences as privately owned business around them. Having fought off fair, unfair, lawful and unlawful competition from private traders, town banks, manufacturers and braved the displeasure of hostile government officials, those co-operative businesses which survived, grew and expanded. Perhaps the most successful are the farmers, whose co-operatives in Europe, North and South America and elsewhere are major suppliers of wheat and other produce on the world markets. Consumer co-operatives may own banks, insurance companies and have huge asset base in many countries. Co-operatives are well represented in life, accident, health and other types of insurance, usually on a mutual basis. The numerous trading, producing co-operatives in the manufacturing and service sectors in many countries' economies are profitable and provide employment to their members.

Profitability implies a surplus, distribution of which is the first to call on co-operators' common sense and social conscience. Invariably, there is agreement, contractual or constitutional between members, that a good percentage, 20% and upwards, of the surplus is to be retained as reserve. Consumer co-operatives were faced the dilemma, quite early in their existence, whether to charge high prices in the shops and pay high dividends, the British option, or to be satisfied with lower margins by selling goods cheaper and pay lower dividend, the practice preferred by co-operatives on the Continent of Europe. Another issue was the legitimacy in co-operative terms, and the practical applications of members receiving dividends in some form of socially beneficial assistance. Employees of co-operative businesses laid claims, from time to time, to be treated as members and be allowed to share in the profits. The need and business desire to accumulate capital was disliked by some co-operators on ideological or selfish grounds. Workers' co-operatives must have meticulously precise formulas to reward contribution and effort when the surplus is distributed. As a rule, often enshrined in the law dealing with co-operatives, capital cannot take more of the surplus than the workers. An early French solution was division of 5:4:3 for labour, capital and management, in that order. Conflicting claims between groups of workers, usually between skilled and unskilled, can be resolved among themselves. Failing agreed solutions, the law has to mediate as in any other industrial dispute.

Administrative and legal aspects of co-operation

In most countries co-operatives are given legal personality by the law, are registered as such and placed under supervision of a government appointed registrar or the courts. In some countries, for instance in Denmark, where co-operative enterprises of all kinds are successful businesses, there is no legal definition of what a co-operative is, nor is there a public register of co-operatives. The law does not prevent any group of people forming themselves into co-operatives, who are treated as any other commercial company commensurate with size and activity. Liability of members is unlimited. In many countries local limited liability company forms and structures are used, or adapted to secure public accountability of co-operative associations. Powers, rights and obligations of members, managers and third parties are provided for more or less satisfactorily to embody co-operative principles and ideals. Each country stamps her legal ethos on co-operatively owned and conducted business activity. Some require great particularity of internal organisation, accounting and auditing procedures, while others are more relaxed, allowing members to run their own affairs provided they observe their own constitutional requirements, the main provisions of which are laid down by law or regulations.

CHAPTER III

WHAT CO-OPERATIVES CAN DO FOR SEAFARERS

The history of seafaring is the story of each seaman's individual struggle. Every man and boy who went voluntarily, or was pressed, on board a sailing ship had to leave behind family and friends, just as today's seafarers must live away from their families and communities. The harsh living conditions and dangers of the working environment, which co-existed with seagoing in the past, have largely disappeared to be replaced by new constraints and dangers. 'Coffin' ships still criss-cross the oceans today taking hundreds of seaman to Davy Jones' locker every year. Seafarers are still left stranded on board their ship's hulk in foreign ports or put on the beach by bankrupt shipowners. The dangers of reefing sail high above the deck and waves on a heaving ship is replaced by tiredness and mental fatigue caused by working 18 hours day after day without rest or proper sleep. The camaraderie of the crowded fo'c'sle and the simple grub of the cookhouse give way to loneliness in single cabins and segregated messrooms where no one may understand the mother tongue or dialect the seaman speaks.

Seafaring, shipowning, seaman, shipowners, government officials, ports and cargoes have changed over the centuries and decades since commercial seafaring began. The 50 ships fleet of the Birkath El Line of Sidon, in the Lebanon 3000 years ago, functioned as the P&O-Nedlloyd of the European part of the ancient world, carrying bagged wheat and bundles of ivory one way and logs of cedars to make temple doors in Egypt on the return voyage between their home port and Tanis, in the estuary of the Nile. Seaman of those far off times differed in physical appearance and the apparel they wore from today's seafarers, but must have had much of the maritime mentality in common with them. The sea did not change; ships and sailors' shoreside environment did.

What is wrong with today's shipping?

A current look at shipping will tell any observer that neither seamen nor shipowners are satisfied with their industry's performance. Competition for cargoes drives shipowners to ever lower standards of safety, cheaper crews and neglect of seamen's welfare and maritime training. The scramble for seagoing jobs force seafarers to accept employment on unseaworthy ships at levels of pay set by the shipowner or the manning agency. Even in well maintained fleets of financially strong shipping companies, the stresses at work, and not knowing how long the job will last, reduce seafaring to a second rate employment opportunity for many young men and women who would like to work on ships or to make a career of seafaring. At the same time, shipowners are deprived of new entrants into the industry who should replace those leaving the sea. The seemingly most intractable problem of the shipping industry is manpower; how to find, train and retain skilled seafarers to crew the world's ships.

Human beings have always lived with crises. Earthquakes, volcanic eruptions, ice ages, El Nino type droughts are beyond the strength of man to alter, but there are many events which can be, and have been, shaped by individual or collective efforts of men and women. One might say that capitalism is one such man made disaster. Whether its appearance, and present domination of people, could have been prevented is a political or historical point to be argued over by everybody who is free to do it. In the meantime, seamen have to deal with the world and their industry as they find them. Working people and the poor reacted to economic hardship either with resignation or with defiance. Active opposition to oppression and injustice made seamen into pirates in 17th and 18th century Europe. In other times and in other parts of the world seaman were harshly treated by their captains or managed to escape the endemic hunger and poverty of their coastal communities. Ashore, workmen smashed machinery to vent their anger on the economic forces which deprived them of the means to earn a living, leaving them humiliated and their families destitute.

Thinking about co-operatives

Another form of defiance is economic co-operation. The spirit of team working is co-operation itself, and co-operative working is the formalised arrangement of team working. A group of seafarers, officers and ratings, who speak the same language or dialect and have other cultural or community ties, may agree to establish their own co-operative organisation and use it to gain numerous economic advantages for themselves, their families and communities. A co-operative of, say, 100-200 seafarers of different grades will be able to offer many benefits not only to themselves but to their families. There are well developed models in many parts of the world, where small, relatively poor communities, have managed to improve their standards of living through co-operative organisations. Credit unions, provisions for health care, sickness, disability, unemployment, old age pensions, elementary schooling and nurseries for children can be established and made to work for the benefit of every member of the seaman's community.

How is that to be done and what are the benefits to be obtained? The task is easier when people live close to each other, in the same street or district, because face to face communications will be more frequent, personal views, opinions more accessible and problems disclosed or shared with more facility than if families lived further apart. Local circumstances, in particular relations with political and administrative authorities, health and social care facilities and other aspects of every day life will circumscribe the attainable aspirations of each family. The community's own co-operative may satisfy some or all of their needs. The initiative for co-operation will have to originate from the seamen, their families and members of the community to which they all belong, for only they know what their needs are and to what extent those needs may be satisfied through one or more co-operative.

Establishment of a credit union or a 'village' bank where savings are kept and modest loans obtained will require expert advice about rules, constitution, administration and training

of future managers before the community will trust it and make full use of the institution. The benefits for users will outgrow all expectations provided the organisation is honestly and efficiently run. Considerable savings may be effected in the purchase of consumables if bulk buying of goods and commodities is undertaken. By purchasing in large quantities and distributing at cost, the community's co-operative will benefit every purchasing family. Where no free or regular medical services exist, the co-operative may hire the services of a doctor, pharmacist or other qualified or knowledgeable person to conduct examinations, provide medicines, advise and educate the members of the community on health, diet and related issues. Provisions for sickness, incapacity, unemployment and old age benefits to co-operative members can be organised on a mutual basis.

How to pay for maritime education?

Co-operatives in communities of varying standards of material affluence can be economically successful, benefiting their members in many ways. The moral satisfaction of being part of a tangible group of fellow human beings is only one of the ways a 'feel good' factor is generated. The vanishing sense of insecurity is another. Material benefits, large or modest, will contribute to continued support for the co-operative. Most importantly, co-operative associations can help seamen to acquire maritime training, education and qualifications without which no seagoing employment can be secured in the future.

Maritime training and education are in the doldrums. National governments and shipowners who, in the past, carried the institutional and financial burdens of qualifying seafarers for the job, have retreated, with few exceptions, from the task. The collective paralysis of the shipping industry in this respect is exceeded only by governmental indifference to the problem. The flag states, where most of the world's ships are registered, are in no political or economic mood, for a variety of reasons, to effect changes. The traditional maritime nations where money would be available have no commercial or political interest in their respective merchant marines. 'Developing' nations, who would dearly love to build up their merchant marine and educate their seamen, have no public funds for that purpose.

The issues of maritime education and training resolve onto two levels. The first is the personal, centred around the seaman's need to earn a living, the desire to be content while doing so and the ambition for his family, friends and community to secure acceptable standards of living. The other level is the macro-economic one which relates to the shipping industry's manpower requirements, supply and availability of competent seafarers at affordable economic costs. On both levels, there are status quos, progress of sort, but not sufficient to reduce individual seafarers' dissatisfaction on board ships, nor to remedy the serious deficiencies in the industry's recruitment, training and general employment practices or policies. Standards set by the International Maritime Organisation are but minima. The STWC (Standard of Training, Certification &

Watchkeeping) and ISM (International Ship Management) codes, and other protocols, solve few, if any, of the industry's manpower problems.

Why should not a seaman invest in his own future? The employers and national governments gave up on him, refusing to make the investment necessary to educate and train him for gainful employment at sea. The establishment and maintenance of the infrastructure of maritime education and training has to be paid for. The simplest, and most extreme, positions are: either the individual seaman pays the full cost to gain his certificate of competency at the appropriate rating or officer level, or his employer and/or government supports fully the facilities where maritime qualifications can be acquired free of charge.

Mutual support to bear the cost of instruction

If seafarers are to be the paymasters of their own maritime schooling, they can do it individually or collectively.

The former method would need a very deep personal pocket and is unlikely to be a practical solution. The collective method, working through co-operatives, would enable seafarers to finance their own maritime education and training. They might not be able to do it unaided and other players of the industry, such as insurers, banks, shipowners, trade unions, governments, international institutions, educational and welfare charities may also contribute according to conscience, concern and financial ability. Devising and erecting the skeleton of partly new institutions and organisations to serve seafarers' need for vocational instruction would benefit shipowners and seamen alike. Seamen's work morale would be lifted, their self-respect restored and they would gain a measure of control over an important aspect of their lives. Shipowners could begin to enjoy financial and emotional satisfaction at knowing that loyal and competent crews are manning their ships. Underwriters would be harassed by fewer claims. Bankers could go to sleep on their ship mortgages without worrying about the efficiency of ship managers.

Involvement of seafarers, through their own co-operative association, with maritime education and training is financial, administrative and content related, in that order of extent and importance. While each seafarer would be expected to contribute from his wages towards the cost of his tuition and training, the administration of any learning and training scheme may be the task of his co-operative. What is being learned, subjects and syllabuses, are left to national governments and international agencies to determine in consultation with the industry and educators. The co-operative may contract with one or more nautical schools, maritime training establishments for the provision of instruction and training on more advantageous terms than individual seaman would be able to do.

Such arrangement would give the individual seaman greater freedom when seeking employment for he would not be tied to the shipping company or crewing agency which assisted him to gain the qualification or certificate. The co-operative would be more successful in identifying training and learning establishments and opportunities than an

individual seaman. Collecting, storing and analysing information is a task in itself and often needs dedicated organisations of some sophistication and knowledge of the fields of maritime learning.

Seafarers' co-operatives, acting on behalf of their members in maritime educational and training matters, may form federations or associate in other ways to maximise their advantage when negotiating for tuition and training fees with, nautical schools and training establishments. As autonomous associations possessing legal personae, seafarers' co-operatives will be able to exercise all contractual rights, and the obligations of performance on their part, in any binding agreement made with third parties.

Co-operatives on board ship

The role of a seafarers' co-operative in the work related environment on board ship will differ from the role played in the field of maritime education and training. Selecting ships, shipping companies, bosuns and shipmates is an inalienable right of seaman and cherished by many of them. No seafarers' co-operative would survive for long which restricted the ability of its members in that respect. On the other hand, the individual's advantage in offering his/her labour collectively often results in improved terms of employment. At sea, on board ships away from the seafarer's home, being and working with persons of familiar attributes of character and ability will bring a sense of security not present when sailing with complete strangers. Membership of a seafarers' co-operative can successfully balance these two desires: to be free and to enjoy security of surroundings.

The constitution or bylaws of the co-operative should make provisions for membership of seamen who prefer to find their own ships or employers. Such a seaman may exercise all rights of membership and receive the benefits, as appropriate in his case, of membership as long as he contributes in the same measure, for example financially, towards his own maritime education and training as his fellow co-operators. The family of such a solo seafarer should not be adversely affected and must continue to enjoy the same advantages as the families of seamen who sail together. All rights and obligations of membership will have to be negotiated by the co-operating seafarers themselves in order to ensure compliance with the agreement made and recorded in the co-operative's rules.

Seafarers felt the effects of globalisation long before other workers of the world became exposed to its harshness. With almost all legal and social constraints removed, seamen today are subject to no protecting laws or charitable consciences some shipowners were able and willing to indulge in for their officers and ratings in the past. Co-operatives of seafarers cannot count on preferential treatment when looking for work for their members. The iron laws of supply and demand will prevail. Any positive discrimination in their favour must be earned by offering the labour of good quality seamen. Here seafarers's co-operatives will have the advantage over other seamen seeking the same jobs. Those advantages, of course, accrue to the seamen who are members of the co-operative.

First and foremost, rates of pay and other terms of employment negotiated and secured by the seafarers' co-operative should be an improvement on individually negotiated rates. The co-operative's bargaining position is stronger, because of the increased value to the shipowner of each co-operator seaman's proven maritime skill and work record. Secondly, sailing together as a group of people with similar backgrounds, or being acquainted with each other, brings social cohesion which will tend to render team work on board ship easier of accomplishment. Individual work load will lighten and time will pass more quickly. Ships no longer spend several days tied up to jetties or in harbours at walking distance from public houses, seamen's missions, high street shops or honky-tonk bars where we used to relax during the breaks between long sea voyages. In modern ships even with multiple facilities on board for mental and bodily exercises, social interaction between crew members is harder to come by, although such interaction is essential to healthy shipboard living. The organic, living unit of seafarers when generated by a homogeneous crew creates a 'home from home' atmosphere on board the ship which is bound to cause greater individual satisfaction and contentment. Seamen will no longer have to accept the fragmented and fragile social milieu of their workplace, which modern seafaring frequently offers, but replace it by friendship and neighbourliness of comparable intimacy or warmth to that they left behind at home.

When to obey the captain

The particular command structure upon which the internal working of the ship is built remains intact on the engagement of a co-operative crew. Membership of the co-operative does not absolve the individual seafarer from doing the job he was engaged to do. Performing tasks, obeying orders, participating fully in all normal and emergency work on board are duties of all serving seamen. His protection against unfair treatment, dismissal or breach of contract by the employer will be included in the contract his co-operative entered into on his behalf. The comprehensiveness or severity of disciplinary powers of the co-operative which deals with ship board and other work related offences are for the co-operative members to decide. All such powers must be known to members whose acceptance should be open and unequivocal. Employer's sanction may or may not be dispensed with in accordance with the contract made with the seafarer's co-operative. Work is work, and all shipboard personnel, from master to galley boy and all seaman in between, must perform the tasks they promised the employer to do to the best of their abilities and make the vessel as efficient and profitable as they humanly can in exchange for pay and/or other agreed benefit due to them from the employer. Seafarers who belong to a co-operative are no exceptions in this respect.

We are all equal

No separate co-operatives should exist for officers and ratings. Such division would tend to negate team work on board ship and would tend to inequalities of social status, expectations and entitlements ashore. The authority of command can be

exercised within the rules and by-laws of the co-operative. Individual responsibility, respect and rewards can be defined and agreed by members of the co-operative association to which officers and ratings belong as equals.

For many years by now we have accepted the principle and practice of equality before the law (financial ability to pay for more competent lawyers notwithstanding), but allow for different social, political, popular, business or work related status among ourselves. Similar adherence to principles, and to the allowances mentioned above, can be made by members of the seafarers' co-operative by identifying areas for equal treatment of members and for hierarchical status structures, respectively.

The latter will obtain on board ship in the work related environment, whilst the former will govern distribution of benefits and entitlements which membership of the co-operative produces. Deference or difference in respect and treatment between individuals, unrelated to the command structure of the ship, may vary with the seafarer's community's culture or inherited social tradition, and a local co-operative of seafarers may take those into account, if it so wishes, when framing its own rules.

School for organisers

Seafarers are as professionally or vocationally ambitious as any of their fellow workers ashore. Co-operatives will enhance individual achievements in this respect for at least three reasons: Firstly, there should be nothing in the rules and by-laws of the seafarers' co-operative preventing or obstructing any career advancement even if that may result in the seaman leaving the co-operative. Secondly, the financial and social support the seaman receives by being a member of the co-operative will underwrite his or her self-confidence and sense of security when studying or training for higher qualifications. Thirdly, the co-operative as business and social organisation can provide additional fields to exercise management or other professional skills where the authority and competence of the seafarer finds periodic or permanent opportunities.

Co-operatives for ex-seafarers

Ex-seafarers with higher grades of seagoing certificates of competency, ship masters and chief engineers are in demand ashore as ship or cargo surveyors, legal executives, insurance brokers, claim adjusters, consultants, researchers concerned with maritime matters. An efficient and profitable shipping industry cannot dispense with the knowledge and experience of such ex-seafarers. They offer their services on a freelance basis and are usually employed on short term contracts instead of the permanent positions they have been able to obtain from their shipping companies in the past. More effective marketing of their services and greater security of earnings would result if they formed themselves into secondary co-operatives with constitutions guaranteeing certain benefits while preserving the individuality of the members' skills and efforts. Secondary

co-operatives are well known in many other fields of freelance professional activity. School inspectors, doctors, designers, among others, had good reasons for belonging to secondary co-operatives. The co-operative may act in a variety of capacities on behalf of its members: it can find the opportunities, from the usual advertisement or specialist sources, where the members' qualification and competence will be required. It can negotiate on behalf of the member the terms and conditions of the contract. It can offer advice, arrange for further training, indemnity insurances and look after the members' work related interests.

Seafarers have the ability to exploit the potential offered by co-operative associations: to gain maritime qualifications and participate in education and training at reduced costs, to bargain for improved pay and other terms of employment, to improve their families' and communities' standards of living.

CHAPTER IV

CO-OPERATIVES AND SHIPOWNERS

The merits of team working on board ships are being advocated by enlightened management consultants, and occasionally put into practice by progressive shipowners and management companies. The main aim, of course, is to induce seaman to be more productive. Additional benefits, such as loyalty to the employer and improved social surroundings to the seaman, may also accrue along the way. Motivation is one essential ingredient of being productive, but is rather hard to conjure up for the benefit of someone else. By working co-operatively, seaman would find the motivation to increase productivity through team working. How to get the best out of the worker, that is to say, how to make him more productive, continues to puzzle saloon bar habitués and factory foremen. On a different intellectual plane politicians and economists are also exercised by the issue. A consensus of sort always emerges, but the argument is by no means settled.

How productive should seamen be?

Economists proclaim that an individual's exertions of labour are no more exalted than units of the production process. The price of that unit is determined on the labour market by the incidence of supply and demand. The consequences of low labour value may hurt the employer, but shipowners will continue to hire the least expensive crews until seamen can show that the unit of their production is of higher value. Measuring the units of productivity, loyalty, competence, etc. seafarer can offer to employers is an accounting procedure with which shipowners, and certainly their accountants, are familiar. The costs of those units to seafarers had not been calculated except by Mission to Seamen padres rescuing stranded seamen in foreign ports. Trade unions negotiate about money values. Even if they are good at it, the social and environmental effects or implications on seafarers are seldom brought into the equations. The atomised and fragmented nature of our consumer society absolves employers from moral or ethical considerations of their fellow men's feelings. For a shipowner, the profitability of his ship is the object of economic life. To achieve that state of affairs managers and seafarers are needed. The relative merits of each is a moot point and the debate continues, but the necessity of each is beyond doubt.

A worker's independence and self-respect are as important to him as the wages he receives. Teachers, training managers, productivity consultants know that pride in one's ability to do things well leads to self-confidence, rendering competent performance of any task more likely. Where the nature of the task is such that exercise of initiative and self assertion is not incompatible with the discipline of the production process, say on board ship as opposed to working on an assembly line in a car factory, encouraging the workforce to participate with initiative should not present unconquerable obstacles.

With intelligent application of ideas of equality, operating ships can become an emotionally and financially satisfactory enterprise.

The harsh world of work

A co-operative of seafarers is only a group of seamen the shipowner has to deal with. The group may be hired as the whole, or part of, the vessel's crew directly by the owner or through a manning agency. The seafarers' co-operative may be in the position to contract for the operating management of the owner's ships and/or make a financial investment into the owner's company or the ship, becoming part owner or shareholder. Each of these alternative ways of engaging with a seafarers' co-operative challenges owners and managers of ships on a different organisational level without changing assumptions on work related performance, operational effectiveness and financial viability.

The nature of the obligations and rights where the co-operative is a contracting party differs from those under a collective agreement made by a trade union on behalf of the seaman. A trade union collective agreement does not, as rule, vouchsafe good performance on the part of the seaman. Bad performance by the workmen maybe left for the employer to correct or remedy if he can. That is not to imply that trade unions wish to see the employer pay for non existent or faulty performance on the part of the workmen, but no trade union leadership could hope to be elected to office if it advocated, let alone contracted for, work performance criteria which are unacceptable to its members. Certain basic assumptions about work performance are accepted in every industry, of course, but those assumptions are not always the same as contractual obligations by either side.

The suspicion among trade unionis that workers' co-operatives drive down wages is a long standing one. Undeniably, there is temptation to accept what is offered by way of wages when work is scarce and competition for jobs is unrelenting and often vicious, as it has been on may occasions in the past in industrial countries. However, no real evidence exists showing workers' co-operatives cutting wage rates. The constitution or by-laws of workers' co-operatives usually stipulate that workers are to be paid the going rate for the job.

Seafarers' co-operatives are expected to follow that practice. The major complicating factor for seamen and shipowners is the size and import of the 'rate for the job' itself. Since both seafarers and shipowners come in all shapes and sizes, it would be a practical impossibility to reach permanent and universal consensus between them. Coastal, national, regional and global wage rates are in use. Trade union representation, or the lack of it, government or criminal involvement, tradition or work ethic, in whatever form the latter two take, contribute to moulding the rates for the job a particular seaman can aspire to. No co-operative of seafarers can opt out one hundred percent from its members' local conditions. Multinational manufacturing companies and shipowners are well aware of the economic circumstances of their workers and cut their wages bill accordingly.

Locally or nationally agreed pay and conditions for seamen serving on own flag vessels would be the benchmarks for co-operative crews also. On ships registered off-shore there are no enforceable standards of pay and conditions for seamen. The drive to harmonise seafarers' wages upwards will continue on national and international levels whether seafarers belong to co-operatives or not. If a shipowner, or any employer for that matter, decides to pay at a particular rate, he will have done so for reason of economy in his own business. Nor will seafarers' co-operatives expect to change shipowners' attitude in this respect. Their demands will stand or fall by their members' maritime skills, productivity, loyalty and other intangible seafaring attitudes which make for a happy ship and profitable operations.

While wage rates remain the untouchable of globalised business ethics, that of the international shipping industry included, technical requirements of the production process increase. Leaving aside for the moment the social rights or wrongs of condemning many to idleness because no jobs can be found for them in the system, vocational education and training are the major components of the technology, be that mechanical, electrical, managerial or whatever, which adds value to labouring in a factory, a warehouse and on board ship. Time is fast approaching when shipowners cannot man their vessels with untrained and unqualified seamen or operate ships with incompetent managers.

Who is to pay for maritime education?

Seafarers' co-operatives can lighten the burden of shipowners by assuming responsibility for the maritime education and training of their members. Owners should, and can, contribute singly or collectively, to the co-operative's efforts, but the lion's share of that burden and responsibility can be carried by the seamen themselves. Most shipowners, especially those with few ships or modest size fleets, have not the internal resources to actively engage the problem of education and training. They want competent, sober and loyal seamen who will not put the ship on the ground or expose the P&I insurers to cargo claims. Such seamen are most likely to be produced by a seafarers' co-operative.

As businessmen, owners of ships have to judge whether a crew composed of trained, experienced and qualified seamen is worth the premium in increased wages, simplified disciplinary procedures and other advantages the seafarers' co-operative can offer. Promising and delivering on satisfactory work performance may become the co-operative's contractual obligation. Peer pressure on crew members should help to uphold the bargain, allowing the shipowner to reduce manning costs and to concentrate upon commercial management. Labour laws and similar legally binding obligations of the employer shipowner may or may not be modified by the contract made with a seafarers' co-operative. The effects and implications of any such change will depend on the flag of registry, the nature or type of the obligation modified, the legal system and jurisdiction where the issue is argued or determined. Protection by insurances may be varied with less official interference because the financial cost of insurance can be shifted more easily than the wheels of government or that of an administering bureaucracy.

Being autonomous and independent, a seafarers' co-operative is expected to behave as such. Shipowners should welcome such behaviour for it will reduce the work load of their managers. The preferences of a seafarers' co-operative for ships will be conditioned less by their own members' desires than by the willingness of shipowners or manning agents to deal with it. Shipowners shop around for crews, and co-operatives are only one of the items on display in the window. In the event of mutual attraction, a co-operative may attach itself to a particular owner, both parties learning each other's ways and forging a lasting relationship. The co-operative may secure the services of a manning agent for the employment of its members, entering into a suitable contractual agreement for the purpose. Freelancing is yet another option for a co-operative, offering crews to all takers.

Managing ships in the co-operative way

Seafarers' co-operatives need not restrict the activities of their members to seagoing jobs. Shoreside management and other aspects of operating ships may be considered, assuming the availability of suitable qualified seamen with the requisite certificates and experiences. How far seafarers' co-operatives may penetrate shipping will depend on their economic usefulness to the shipowning fraternity. Regardless of the sector seafarers' co-operatives find themselves in, the tasks of getting ships from A to B will have to be performed in conformity with the hierarchical structures of ship operations. Company rules and operating manuals will continue to rule the working lives of all those who are touched by them. Co-operative members will be no exceptions. Seafarers who are members of co-operatives will receive their rewards elsewhere.

Co-operatives can be shipowners

A seafarers's co-operative may be in the position to invest in the shipowner's company, or in the vessel herself. It may do so by bargaining for extra productivity or other cost saving devices economically acceptable to the shipowner, or put up the financial stake by borrowing or finding it from own resources. The work related aspects of the relationship will not alter. Members of the co-operative as crew members will remain subject to the ship master's orders, and the ship master will follow directions from shoreside as defined and regulated by the relevant procedures of the owner. Such co-operative members will have to compartmentalise their thoughts and actions, separating the work they have to do, and the financial rewards their co-operative will distribute among them. The shipowner's mental gymnastics will be simpler for he is dealing with one entity, the co-operative. Partnerships, share holding, profit sharing are but extensions to the co-operative's coreactivity of supplying seagoing or shorebased labour. The sharing of profits and assets will be subject to written agreements of some complexity. Businessmen, including shipowners, are familiar with such negotiations while co-operatives may regard such a course of events as unusual. However, legal and other expert advice is always available, even if at a price, which co-operatives can procure to protect their interest.

Seafarers may carry on as a co-operative for the benefit of its members the business of managers of shipping property and companies, act as operators and managers of ships and other vessels, owners and charterers of ships. Before any seafarers' co-operative can do so, a seismic shift in financial and managerial resources must take place in favour of the co-operative. It is possible to own and operate ships according to co-operative principles and, at the same time, provide efficient and cost effective service to shippers and receivers of cargo. In shipping freight is the mother of wages. With assured revenues ships earn their keep and may even make modest profits for those who do the work afloat and ashore. The co-operatively owned shipping company's revenues are no more or less assured than those of any shipowner. Having competed on the quality of service and on freight rates, a co-operative shipowner will be satisfied with the job well done for its members.

Business is business

The business affairs of a seafarers' co-operative are conducted on the same principles of commercial common sense as those of any other comparable enterprise. The Board of Directors, who may be designated as the Committee of Management or given another name by the co-operative's constitution, decide on all matters relating to freight contracts, finance, insurance and other external business matters affecting the co-operative. Ship husbanding functions are delegated to the master, senior officers and rating members in order to reduce shoreside costs and in order to involve seamen in the operating management of their ships.

How to involve cargo owners

A seafarers' co-operative may offer cargo owners, whether in the bulk cargo or liner trades, cost effective transport arrangements. The co-operative's constitution may admit to full membership the consumers of the services provided without surrendering control of the co-operative. The direction and guidance from shipper members bearing on the commercial management of the business may be considerable. The seafarers' co-operative may become the shippers' carrier, as it were, for cargo owners would be able to influence freight rates and other elements of service without getting involved in the day to day management of the carrying ships. Hollow as these words may sound at times of rock bottom freight rates, the idea itself is not new. Carriers, not only by sea, and owners of cargoes enter into similar agreements from time to time in order to secure performance of obligations to carry and to ship, respectively. To carry liquid and dry bulk cargoes on a joint venture or other forms of shared risks basis is not too difficult to structure. Both parties must have sound business reasons for entering into such arrangements. A shipowning seafarers' co-operative would have to consider the same issues as any other shipowner. The clear earnings of the vessel during the course of such arrangements may be viewed by the co-operative from a different perspective than that of a private entrepreneur of get rich quick disposition. The co-operative will want to find employment

for the ship as long as possible in order to be able to pay wages to its seaman members. There will be freight rates, of course, below which the ship cannot be operated without breaking rules of commercial common sense. In that event the seafarers' co-operative will cease trading and do what other shipowners do, sell the vessel and retire from the business of shipowning. Whether the co-operative can operate ships at lower costs than privately owned companies will test the former's commercial viability. Trading ships on the charter market can open opportunities for seafarers' co-operatives by fixing time charters at lower than market rates with a sharing element enabling both parties to benefit from increased market rates and to shoulder losses in equal proportion. A tailor made freight futures market for its own ships may be operated by the co-operative. If that does not make sense in the prevailing market conditions, the co-operative is thrown back on the bread and butter business of finding employment for the ships.

Operating a liner service for the mutual benefits of seamen and shippers simultaneously involves, before anything else is agreed upon, mathematical calculations as to how to share fairly any surplus from the business of carrying the shippers' cargo. Application for membership of the seafarers' co-operative may be accepted from shippers on the basis that goods and cargoes under the shipper's control are booked on the co-operative's ships. Shares certificates of nominal value may be issued, enabling the shipper holder to receive copies of the audited accounts and vote at general meetings in addition to receiving discounts on purchases from the co-operative as long as membership continues. 'Purchases' are, of course, the net freight invoiced to the shipper. Application of the 'one member one vote' principle of all co-operatives would submerge seaman members and give full control to cargo owners, negating the purpose of the seaman's association. To prevent that happening the co-operative's rules may provide for weighted voting rights in favour of seaman members for the purposes of distribution of trading surpluses.

Educating seamen is the co-operative's priority

The commercial slotting of seafarers' co-operatives into the fabric of shipping industry may not be the first priority of co-operatively minded seamen. The financial and organisational constraints are too numerous at present to embark upon that course. Fewer obstacles and easier passage are premised by setting course for maritime education and training through seafarers' co-operatives. In this sector of the shipping industry co-operatives of seamen are in the potential position to transform the industry's manpower environment. Recruitment, retention, training, certification, seaman numbers and competence suffer from deficiencies of one kind or other which the industry is endeavouring to remedy. By involving seafarers' co-operatives in one or more endeavours, shipowners would find it easier to deal with the particular problem.

The issues of maritime education and training are the industry's seemingly most intractable problems. In some parts of the world, no facilities to train seamen exist at all. The all too few company efforts fall short of the industry's requirement. National governments plead public penury, while international organisations refuse to accept new

responsibilities costing money. Salvation lies in concerted action, the chief movers of which may be the seamen themselves. Assuming that the young men and women who would wish to work on ships and/or embark upon a seafaring career will have received sufficient basic education to take them through to maritime qualifications, the acquisition of the latter presents the greatest hurdle for many a potential seafarer. Lack of personal financial resources to pay for books, courses, teachers, etc., the scarcity or non-existence of maritime training establishments within affordable reach of the seaman's home, are major disincentives to seagoing employment.

By pooling financial resources from wages earned on board ship, making use of home-based credit unions, obtaining loans on the collective security of the co-operative, lobbying for state and charitable assistance, persuading shipowners, bankers and insurers with shipping portfolios, for contributions, members of the co-operative will be able to carry the burden associated with obtaining maritime qualifications with less difficulty than if they had had to do it individually.

Contractual advantages for co-operatives

Seafarers' co-operatives will find secure places within the organisational structures of the shipping industry when possessing a legal personality which allows the co-operative to make binding agreements, assume obligations and enforce rights arising under the contract. Those who deal with the co-operative will know, or at last should be able to discover, the extent of its powers to contract and can make their bargain with it accordingly. Conversely, the co-operative will be in the position to seek the courts' assistance and remedies for breaches of contract. Should seafarers' co-operatives, in the fullness of time during the next decade, become an accepted feature of the shipping industry, consideration may be given to establishing a system of arbitration procedure to resolve disputes more speedily and with less costs.

Fitting seafarers' co-operatives into shipping

The shipping industry needs seafarers' co-operatives to overcome its manpower shortage. Given the industry's present low profitability, owners are in no position to assume the financial burdens of maritime training and education to internationally demanded standards. Other sources will have to be found to solve the shipping industry's human resources crisis. Prejudice or distrust of working men ignores the benefits of co-operative working. Seafarers' co-operatives would fit effortlessly into shipping's industrial and legal structures. Economic equality between seafarers' co-operatives and shipowners is desirable, but is some way off in practice. Seafarers' co-operatives can solve many of the industry's problems if those co-operatives are properly integrated and accepted as working parts of deep sea and coastal shipping.

The ever changing environment of work touches the shipping industry more often and with greater severity than it does other service industries. When technology and investment turn their backs on a particular sector of industrial activity, the economic decline is usually terminal for the affected locality. International shipping is accustomed to 'boom and bust' periods. Some are of its own making, some are consequences of factors elsewhere in the world's economy. Stability is the aim, but will elude the industry's participants until and unless the priorities of economic management are changed.

Co-operation pays

Focusing on human satisfaction would advance the cause of economic and political stability more effectively than accumulating private profits regardless of costs. That is a tall order for most sophisticated minds to absorb, but it can be done. Shipowners alone cannot alter the course of events even in their own industrial sphere. With the active support of their governments, bankers, insurers and the willing co-operation of their workforce, afloat and ashore, a more stable economic and social environment can be constructed for shipping. For seamen, ship managers and other workers in the industry to achieve stake holder status, the first step is to establish organisations based on co-operative principles.

With the support of seafarers' co-operatives, shipowners will be in the position to restructure their industry towards profits and greater satisfaction of all concerned. Operational and financial aspects of shipowning would alter by encouraging co-operative ship management. Shipowners would gain from working with seafarers' co-operatives by reducing the cost of education and training of their seamen, by securing their crews' competence and loyalty, and by sharing operational and managerial responsibility with the co-operative.

APPENDIX 1

Co-operative facts and figures

- * According to the 1997/8 Annual Report of the International Co-operative Alliance, there are 725 million individual members of co-operatives in almost 100 countries.
- * The largest concentration of co-operatives can be found in the Asia/Pacific Region, where there are 480,000 co-operative societies with more than 400 million members.
- * In Europe, where accurate information on co-operatives has just been compiled for the first time, there are 288,000 co-operative societies with more than 140 million members and a workforce of 5 million employees.
- * Agricultural, fisheries and forestry co-operatives in Europe have 17 million individual members and more than a million employees. The largest concentration of co-operative business in Europe, however, is in the service sector - including retail, housing, banking and insurance - where there are 132,000 separate enterprises employing almost 3 million people.
- * The Co-operative Movement is Britain's biggest commercial farmer, with 81,000 acres of land owned or managed by the Co-operative Wholesale Society Ltd.
 - It is not always appreciated how much food is marketed and distributed by co-operatives. Lurpak butter, for example, is produced by co-operative creameries in Denmark and Ocean Spray products come from a cranberry growers' co-operative in New England in the United States.
- * In Britain consumer co-operative societies own more shops (over 40,000) than any other retailer and have an annual turnover exceeding £ 8 billion.
- * In the United States, where one in every three citizens is a member of a co-operative, farmers who found that the giant electricity utilities would not supply them with power set up their own electricity co-operatives to do it for them.
- * Switzerland has two giant consumer co-operative organisations, Co-op Switzerland and Migros, and together they have 29% of the total retail market.
- * One of the world's biggest banks, Credit Agricole, is a co-operative owned by French farmers.
- * One of the world's largest investment houses is the Japanese farmers' insurance co-operative Zenkyoren, with managed assets exceeding US\$ 150 billion.

APPENDIX 2

selection from publications dealing with
co-operatives

Co-op: The People's Business, by Johnston Birchall (Manchester University Press, Manchester 0 7190 3861 8).

A celebration in words and pictures of the Co-operative Movement's unique contribution to British life during the past 150 years.

Co-operation Works! by E.G. Nadeau & David J. Thompson (Lone Oak Press, Rochester, 1 883477 13 1). Case studies

illustrate the breadth of co-operative action in the United States, highlighting how co-operatives can improve people's lives and communities while revitalising the economy.

Co-operative Directory (Holyoake Books, Manchester). Gives full details of consumer Co-operative societies throughout Britain and numerous other co-operative organisations.

Co-operative Principles for the 21st Century, by Dr. Ian Macpherson (International Co-operative Alliance, Geneva, 92 9054 007 9). Examines how the Principles, which are the guidelines for co-operatives to put their values into practice, can confront future challenges.

Co-operative Principles Today & Tomorrow, by W.P. Watkins (Holyoake Books, Manchester, 0 85195 140 6). This book rigorously analyses the basis of co-operative principles and their present and future application.

Making Membership Meaningful (International Co-operative Alliance, Geneva, 0 88880 334 6). Reports from five countries on three continents focusing on ways in which established co-operatives can be revitalised through increased member participation.

Reinventing Co-operation - The Challenge of the 21st Century, by Edgar Parnell (Plunkett Foundation, Oxford, 0 85042 136 5). This new work challenges accepted thinking on co-operatives and suggests new and practical ways of making them more effective.

The Co-operative Opportunity (United Kingdom Co-operative Council, Manchester, 0 85195 216 X). Essential reading for anyone seeking better alternatives to conventional, investor-driven business structures.

The International Co-operative Movement, by Johnston Birchall (Manchester University Press, Manchester, 0 7190 4824 9). This overview of the history and current status of the co-operative sector in every world region concludes that co-operatives can become the ethical business for the 21st century.

APPENDIX 3

Some of the agencies of international
co-operation

* INTERNATIONAL CO-OPERATIVE ALLIANCE

15, route des Morillons
1218 Grand-Saconnex
Geneva, Switzerland.

E-mail: ica@coop.org(general)

Web Page: <http://www.coop.org>

ICA - Regional Offices

* REGIONAL OFFICE for the Americas (ROAM)

Apartado Postal/P.O.Box 86310-1000
Boulevard Rohrmoser
250 metros oestes de la Nunciatura
San José Costa Rica

E-mail: alianza@sol.racsaco.cr

Web Page: <http://www.alianzaaci.or.cr/>

* REGIONAL OFFICE for Asia and the Pacific (ROAP)

"Bonow House"
43 Friends Colony (East)
P.O.Box 7311
New Delhi-110065
India

E-mail: icaroap@vsnl.com

* REGIONAL OFFICE for West Africa (ROWA)

Avenue Kwame Nkrumah

01 B.P. 6461

Ouagadougou 01

Burkina Faso

E-mail: acibrao@fasonet.bf

* REGIONAL OFFICE for East, Central and Southern Africa (ROECSA)

Kileleshwa off Gichugu Road

P.O.Box 67595

/ Nairobi Kenya

E-mail: ica@africaonline.co.ke

APPENDIX 4

These rules are one of the many possible models for seafarers' co-operatives. In England co-operatives are incorporated legal persons with limited liability for members. Objects of the co-operative associations may vary and should be stated in the rules.

Rules of ...(name of co-operative)... registered under the Industrial and Provident Societies Act, 1965- 1978, in the United Kingdom (The Act).