

Discussion Paper 2023/1
**Working Together – Co-Ops as a
creative industry business model**

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1. Introduction

The creative industries have been one of the UK's undoubted economic success stories and despite the battering of two years of pandemic restrictions, some parts seem to be recovering well¹. However, they have a poor record in terms of inequality and exclusion, bad working practices, and association with gentrification, which the pandemic appears to have deepened, having a deleterious impact on tentative moves towards greater equality with younger workers, ethnic minority workers, freelancers and people with disabilities disproportionately affected².

Recent years however have seen those who work within the sectors, together with activists, and in some cases policymakers, seek to challenge these inequalities and reconstruct the sectors along more ethically and socially just lines³, while a greater awareness of the climate crisis has led to a critical focus on environmental harms from fast fashion to e-waste⁴. This represents in many ways a 'resetting' of the creative industries after a period when questions of politics and ethics seemed subsumed under a dominant 'creative economy' approach⁵. This has certainly allowed for discussion of inequalities and exclusions⁶, but a continuing focus on growth had perhaps obscured other forms of cultural practice and other business models including public ownership, volunteerism, social enterprise and co-operatives. While initiatives to diversify the workforce have been understandably prominent, less attention has been paid to workers' rights and ownership structures and the relationship of this to structural inequality.

This research project and report came out of a longstanding interest in cultural labour and its conditions including the potential for cultural sector co-ops⁷. It also draws on the Cultural Workers organize⁸ project, of which one of us (Oakley) has been a part and particularly on the survey they carried out on cultural co-ops in the UK, USA and Canada⁹ (see next section). This project was

¹ See Creative-Radar-2021-The-Impact-of-Covid-19-on-the-Creative-Industries-PEC-July-2021.pdf

² Carey et al, 2020 Social mobility in the Creative Economy Rebuilding and levelling up?

³ de Peuter & Cohen. 2015. "Emerging Labour Politics In Creative Industries." In Kate Oakley and Justin O'Connor eds. The Routledge Companion to the Cultural Industries. New York: Routledge,305-318

⁴ See Oakley, K and Banks, M. (Eds) Cultural Industries and the Environmental Crisis, New York; Springer: 2020.

⁵ O'Connor, 2022 Art, Culture and the Foundational Economy, Working Paper 2, resetartsandculture.com

⁶ Walmsley et al, 2021, Culture in Crisis: Impacts of Covid 19 on the UK cultural sector (see [CCV Covid Report A4 AW \(culturehive.co.uk\)](https://www.culturehive.co.uk/Covid-Report-A4-AW))

⁷ Boyle & Oakley, (2018) Co-ops in the creative industries, Co-Ops UK

⁸ [ABOUT – CULTURAL WORKERS ORGANIZE](https://www.culturalworkersorganize.com)

⁹ Published as 'Sharing like we mean it,' Cultural Workers Organize 2020

commissioned in 2019 and like much research was delayed by the COVID pandemic. The nature of the interviews and our own preferred methods of working, means that we wanted to carry out interviews and focus groups in person and while some interviews, largely with policy makers, were completed before March 2020, the rest of the research only restarted in July 2021 and completed in January 2022. Oakley conducted all the policy interviews and co-op interviews, and the focus groups with co-ops were carried out with Brian Morgan, Glasgow-based co-operator and founder of co-op makerspace, Jangling Space¹⁰.

The aims of the project were:

- to examine how understanding of co-ops is among creative workers and students in Scotland
- to probe these issues in three distinct parts of the country, with different creative economies
- to explore what skills and training people think they may need to set up co-ops, and how public policy, higher education and business support can respond to that.

The focus was on Scotland where the government has an explicit policy to promote 'fair work' (though not necessarily worker co-ops)¹¹, a stated commitment to a 'wellbeing economy' and a Community Empowerment Act, which is said to make it easier for communities to acquire land or buildings for community use.

This report focuses on the findings of the project and the implications for both higher education and economic support for the creative industries. Elsewhere, Oakley has written about the ethical and political meanings of co-ops for those who work in them¹². The next section looks briefly at the academic literature on co-ops and section three also briefly describes how the project was carried out. Section four discusses the findings of the project, and the final section considers the implications.

¹⁰ See [Team — Jangling Space](#)

¹¹ [Scottish Government and Scottish Green Party: draft shared policy programme - gov.scot \(www.gov.scot\)](#)

¹² See [Re-visiting the Owenites—contemporary cultural co-ops | Blog by Kate Oakley \(cusp.ac.uk\)](#)

2. Literature

This project drew on a wide range of academic literature on work in the cultural and creative industries and particularly on alternative business models, as well as surveying relevant policy documents in Scotland and the UK. Although this is not an academic paper, it is worth sketching out this literature briefly as one of the arguments of this paper is that co-ops are a part of a wider shift in cultural production, one that is informed by questions of ethics and social justice, and is cognisant of the criticisms that have been levelled at the cultural sectors.

What Adam Arvidsson describes as 'industrious anti-capitalism'¹³, describes a swathe of organisations whose aim is not profit maximisation, but instead forms of production and exchange that enable people to make a living in their chosen sphere and to express their talents and interests in ways that are compatible with their politics. For Arvidsson, this links historically to guilds and fraternities of the European Middle Ages which attempted to create and structure markets according to communitarian ideas of fairness and ethics. For Angela McRobbie, discussing fashion, but with implications for other cultural sectors, it represents an 'unravelling' of business as usual as the clamour of those both inside and outside the industries about issues of exploitative work and environmental damage demands a rethink within the sectors themselves. As she notes, this does not mean that every creative worker is becoming a radical activist – far from it – but it does mean that the space for new ideas is widening as consciousness of contemporary problems becomes more pressing. As one of my policy interviewees put it, 'Climate change is starting to change how people view capitalism overall – there are cracks in the physical and social fabric, people are starting to say, wait a minute what's going on here?'

Many of these attempts to reconstruct the creative industries are detailed by the cultural workers organize (CWO) project, which has produced a stream of material on collective responses to precarity, including unionisation drives – particularly successful in digital news and media sites, 'alt worker' organisations that seek forms of collective provision particularly for freelance workers and co-operatives.

Alongside this work on what Justin O'Connor called the 'reset' of the creative industries¹⁴ one of us (Oakley) has drawn on the literature on co-ops, both

¹³ Arvidsson (2019) *Changemakers The Industrious Future of the Digital*

¹⁴ O'Connor, 2022 *Art, Culture and the Foundational Economy*, Working Paper 2, resetartsandculture.com

historically and in their contemporary form¹⁵ and on some of the large and growing literature on platform co-operativism¹⁶. Fellow CWO associate Marisol Sandoval has published several recent papers on cultural co-ops, both their history and their potential. Along with other writers such as Mulqueen she is interested in the historical involvement of the co-operative movement with the political Left, and about what this tells us of their politics. Sandoval considers co-ops as part of struggle between reformist and revolutionary change, and argues that while co-ops have clearly been absorbed into capitalist systems across Europe and other parts of the world, they nevertheless provide an alternative to capitalist modes of production. As she found from interviewing co-op workers (and which is also reflected in our interviews), many of them saw the project less in terms of an alternative business model and more in terms of a political project, 'a politics of everyday economic practice and work relationships; and as a means and starting point for political action aiming at structural change.'¹⁷

Perhaps the most active area of current co-op research is that on 'platform co-operativism,' a response to the concentration of power, ownership and control currently exercised by large platform owners. Within platform co-operativism there is a range of different models, from producer owned platforms, to those owned by cities, or those which are backed by unions; what they have in common is seeking some form of social ownership over digital assets. A Nesta report in 2019 pointed out that platform co-ops were driven by many of the same concerns of those in the creative industries, but with the added impetus of concerns about surveillance, data ownership and control. We will return to this report in the conclusion.

Alongside this growing academic and activist literature, one of us (Oakley) has also consulted policy literature, particularly on Scotland, as it was the focus of this study¹⁸. Scotland is in some ways well-placed to support the growth of co-

¹⁵ See for example Sandoval, M. (2016). What would Rosa do? Co-operatives and radical politics. *Soundings: A Journal of Politics and Culture*, 63; Mulqueen, T., 2012. When a Business isn't a Business: Law and the Political in the History of the United Kingdom's Co-operative Movement. *Oñati Socio-legal Series* [online], 2 (2), 36-56; Restakis, J. 2010 *Humanising the Economy, Co-operatives in the Age of Capital*, New Society Publishers.

¹⁶ See for example, Scholtz & Schneider (2017) *Ours to Hack and to Own* (OR Books); Borkin (2019) *Platform co-operatives – solving the capital conundrum*, Nesta; Muldoon (2022) *Platform Socialism* (Pluto Press);

¹⁷ Sandoval, M. (2016). What would Rosa do? Co-operatives and radical politics. *Soundings: A Journal of Politics and Culture*, 63, NP

¹⁸ See for example Co-operatives UK (2019) *The Co-op Economy 2019*. Available at www.uk.coop. Accessed 6th of September, 2019; Scottish Government (2017) *Community Empowerment*. Available at www.gov.scot. Accessed 9th of September, 2019; Scottish Government (2019) *Growing the Economy*. Scottish National Investment Bank. Available at www.gov.scot. Accessed 9th of September, 2019; Scottish Parliament (2019) *Co-operatives*. Cross

ops, and indeed the formal involvements of the Scottish Greens in Government may yet see that develop, but at the time of research and writing the sense was that while the SNP governments supports the idea of community empowerment, it was not attached to co-operatives as a model in particular. Where there is support, it is concentrated on rural agricultural co-ops or indeed housing co-ops – the need for which in Britain's current housing crisis is evident. While the creative industries remain a growth industry in the mind of many policymakers, (and not just in Scotland) the link to co-ops is rarely made. While the condition and importance of say freelancers is now widely acknowledged by policymakers, less attention is paid to other forms of business ownership. During interview, Co-Operative Development Scotland confirmed that they had not focussed on co-ops in the cultural sectors in particular in the past, nor had Creative Scotland, the primary cultural funding agency. There is perhaps some signs of that changing, Co-Op UK's Annual Report 2020 featured its support for the Globe In Newcastle, run by the community co-op Jazz Coop, and its current crop of case studies features the comedy co-op Felt Nowt. But the potential for co-ops in the cultural sectors is still somewhat overlooked and does not appear to be a priority for either arts funders or those concerned with co-op development.

3. Methods

This project builds on a survey carried by the Cultural Workers Organize (CWO) project, of which one of us (Oakley) is a member¹⁹. The online survey, which was carried out in 2019, was distributed to 416 Co-ops in the creative industries across Canada, the US and the UK. The response rate was just under 30%, but after allowing for partial completion the final usable response rate was 23.7%. The majority of responses came from the UK.

The survey was open from September to December 2019, which was when the project on cultural co-ops in Scotland began. Given the relatively small number of cultural co-ops in the UK (there were 40 survey responses overall), it was perhaps inevitable that the project would end up interviewing some of those who had taken part in the survey. However, it was not the intention of this work to follow up on survey respondents in any way, rather it was the intention to use the issues raised by the survey to help develop the questions taken forward into the interviews and focus groups. In the findings section below, the CWO survey is used to help structure the findings of this research, but while attention was paid

Party Group. Available at www.parliament.scot. Accessed 6th of September, 2019.

¹⁹ Published as Sharing Like We Mean It

to what members see as the benefits and challenges of working in co-ops in the creative and cultural sectors, the focus of this study was somewhat different. This study has focused on the exploring potential of co-ops as an alternative business model for the creative and cultural sectors and in particular exploring that in the context of Scotland. This geographic focus was important. Scotland was chosen as somewhere with a stated policy of supporting co-operative ways of working and where the state is both small enough to have reasonable access to national policymakers, but large enough to have distinct regional economic geographies. As discussed below, the differences between Scotland and the rest of the UK were not particularly pronounced in this regard.

There are over 500 co-ops in Scotland, but fewer than 50 that would be understood as part of the creative and cultural industries. Some of these are relatively long established, the Media Co-Op in Glasgow for example has been around for several years²⁰, while others have been formed recently. What rapidly became clear as we put out calls for interviews and focus groups, was that there were many organisations that strictly fall outside the definition of a 'co-operative', or were unsure if they were a co-op, but which nevertheless see themselves as adhering to co-operative principles. In the UK, co-ops can have a variety of legal forms and in a sense what makes them a co-op is having a governing document or constitution that adheres to co-operative principles. Beyond that there are a variety of co-op types, among which housing co-ops and consumer co-ops are (relatively) common. While Scotland's co-operative development service (CDS, now part of Scottish Enterprise) has been focussing on community co-ops (where residents come together to purchase a particular local asset such as a shop or pub), they have not in recent years had a particular focus on the cultural or creative sectors. Not wanting a narrowly legalistic definition to constrain our research, we included a variety of collectives for the research. What began as a desire to widen the pool of interviewees however, produced a much more fruitful discussion about the particular political role and history of co-ops, and the institutional support and climate that is needed to support them.

The initial plan was to carry out policymaker interviews first and then to have focus groups meetings in three different locations - Glasgow, Dundee and a rural area (initially Shetland or the Western Isles) but the pandemic travel restrictions meant that we went instead to the border regions of Dumfries and Galloway). Glasgow was an obvious choice, it has the largest concentration of creative industry employment in Scotland and has strengths in media, music and visual arts²¹. The two Glasgow focus groups featured existing creative co-

²⁰ [media co-op | award-winning media production for social change](#)

²¹ OECD (2022), "Culture and the creative economy in Glasgow city region, Scotland, United Kingdom", *OECD Local Economic and Employment Development (LEED) Papers*, No. 2022/10, OECD Publishing, Paris, <https://doi.org/10.1787/54374bc9-en>.

ops, and final year students from the University of Glasgow (Film, TV and Media students). In Dundee, the aim was to interview workers in the videogames sectors – but this proved very difficult and despite repeated attempts was ultimately unsuccessful. We can only speculate on the reasons for this, but they may include less familiarity with co-ops and hence less interest in taking part in such research. In most cases, contacts were made through organisations or individuals who were aware of and sympathetic to the idea of co-ops, but we failed to find such contacts in the Dundee videogames sector. We carried out interviews and a focus group in Dundee, but with traditional cultural co-ops in arts, design and crafts, rather than in videogames. In Dumfries and Galloway we carried out a focus group with an artist co-op. The focus groups in all cases were supplemented by phone and zoom based interviews, for those who could not attend in-person focus groups.

Interviews with policymakers from Glasgow City Council, the Scottish Parliament, Creative Scotland and Co-ops Development Scotland (CDS) were carried out face to face where possible or via zoom. Here we were interested in exploring the policy context in Scotland and in what ways, if any, it differed from the rest of the UK.

Because of the difficulties of recruiting for in-person focus groups and lack of access to videogame companies in Dundee, the project completed four focus groups rather than six (two in Glasgow, one in Dumfries and Galloway and one in Dundee) though in all three locations these was supplemented by additional one-to-one interviews.

Interviewees came from a wide sphere of creative activities which included music, visual arts, jewellery and crafts - such as woodworking and glassmaking - theatre, media production and the organising and promoting of venues and events. All interviews and focus groups were recorded.

4. Findings

The starting point for this project was that Scotland would prove an interesting site for research on co-operatives, in part because of policies such as the Community Empowerment Act, the National Investment Bank (launched November 2020) and the Scottish government's stated commitment to wellbeing²². Policy interviews - with Co-Operative Development Scotland, Creative Scotland, MPs and Glasgow City Council - however suggested that, despite a long history of co-operative development, particularly in Glasgow, there was little evidence of any particular policy push on co-ops or indeed of a particularly favourable environment. Local procurement methods of the type used so successful in Preston²³ are often supported in theory, but in practice are less evident. Some of this was perceived by some interviewees to be ideological – the association of the co-operative movement with the Labour party - thus being less favourably viewed by the SNP Government. But continuing public sector austerity is also part of it, there is simply less economic development funding for the creative and cultural industries sectors and where there is, it focuses more obviously on growth-oriented models. The UK Government's Levelling Up White Paper, which was released in February 2022, features Glasgow as one of the main focuses for investment in 'innovation accelerators' which could include some parts of the creative industries, and there is a commitment to increasing cultural funding outside of London and the South East. But while 'community-led regeneration' is mentioned and the possibility of a community wealth fund is discussed, there is relatively little on business or ownership models.

4.1 Understanding of co-ops

The first aim of the research was to probe understanding of co-ops, particularly in the creative industries and among final year students (the future CI workforce). For many of those who work in co-ops, lack of understanding is a major barrier. 'No-one even knows what a co-op is, apart from the shop,' as one of the focus group attendees put it, and many described the education work that needs to be done both in wider society and sometimes for new members. Most new staff have not worked in a co-op environment, so they do need to understand what it involves. 'You will be invited to become a member, do you know what they means? You'll have to help run the business, are you ready for that?' As one interviewee put it, and another added, 'we are so used to current structures that when people are given power they don't know how to take it.'

²² See for example <https://www.gov.scot/groups/wellbeing-economy-governments-wego/>

²³ [Insights Briefing - Preston Model \(pec.ac.uk\)](https://www.pec.ac.uk/insights-briefing-preston-model/)

One recently formed co-op in Glasgow - Saltspace²⁴ - was set up by graduating students from the Glasgow School of Art (GSA). As part of a City Council-based initiative to find uses for the empty properties in Glasgow (even pre-pandemic) students were offered the opportunity to set up their own businesses in subsidised spaces. The Council required that it was some form of 'social business,' but did not specify the form. The Enterprise School at GSA had run a module on different business models and a Summer School on enterprise, which further developed their interest, but it was only when they were introduced to the idea of co-ops that they became convinced this was the right model. As the founder described, they were particularly attracted by the idea that a co-op, 'was fun and democratic with everyone having a chance to have their voice heard'. It is this emphasis on democratic decision making that was the distinctive and appealing element of the co-op model, but finding information on how to set up a co-op was a little more difficult though. They were eventually taken through a co-op development process by (co-author) Brian Morgan, but like Jangling Space are constituted as a community interest company (CIC) with co-operative articles of association. Saltspace now runs three spaces in Glasgow – a gallery space, a maker space and a community space.

For those who do work in co-ops, understanding the history and ethos of co-operatives is very important. In the CWO survey, a common reason for joining a co-op was frustration with the working conditions of the contemporary creative and cultural industries and this was echoed by some of the focus groups attendees, particularly those who had come from the media industries. Others want to create different kinds of organisations where they feel they can combine both a sense of fairness and some level of autonomy. 'I can't imagine being in a situation at work where I could not voice my opinion,' said one co-op member of several years standing.

There was particularly strong emphasis on shared decision making and on practices of decision making in the interviews and indeed these issues were often the primary motivation for the formation of co-ops (as opposed to other forms of social enterprise). The idea of co-ops as somewhere where people get to participate in collective decision-making was an important one, for example, the artists co-ops we interviewed in rural Dumfries and Galloway recognised that artist networks had been operating for some time, but decisions were being made by a small number of founders and it was the desire to share decision making as much as to share costs and income that encouraged people to look at co-ops. In other cases, such as the woodworking co-op we spoke to, it was a desire to involve service users in decisions. In this case the interviewee argued that the co-op model 'offered a different range of relationships encompassing users, workers and others,' all in the idea of a 'member,' and in so doing reduced distinctions and hierarchies.

²⁴ See <https://www.saltspacecoop.co.uk/>

Some interviewees had tried different discussion methods, such as sociocracy or decision circles, and there was strong commitment to moving beyond simple majoritarianism – though in most cases voting still took place. That said, there was also recognition of the time such processes take and the differential willingness of members to be involved. While the CWO report suggested that more member engagement - including frequency of meetings - was linked with beneficial outcomes for co-ops, our research also revealed the costs of such processes, particularly when ‘active’ members are a relatively small number. ‘One of the issues is that no-one is paid for the work of running a co-op, so the more consensus-based it gets, the more time it takes and we are less able to cover that’, said one member. There was no suggestion that co-op members wanted to move away from collective decision-making or deliberative processes and indeed many wanted more of this, but original members often found it difficult to spread the burden of running the co-op across the whole organisation.

An important question for the future is the potential for growth that co-ops offer in the creative industries and indeed in what parts of the creative industries. As discussed in the conclusion, we believe there is potential for more co-ops in the creative and cultural sectors, but it may be that there are constraints in both the desire and the ability of individual co-ops to grow. The emphasis on shared decision making and particularly on more deliberative methods of decision-making mitigates against very large numbers of members even where markets allow. This is not to say that the co-op model – capacious as it is and with very large organisations such as Mondragon as examples – cannot operate at scale, but for the organisations we interviewed, growth was not mentioned as a goal and the emphasis was instead on stability, autonomy and particularly on shared decision-making.

4.2 Different creative economies

Our project aimed to compare co-ops across different types of creative economies in Scotland, as described above, but the difficulties of accessing the videogames sector in Dundee meant that those we interviewed were in predominantly traditional arts co-ops – crafts, jewellery and events - and thus differences with those in Glasgow were less pronounced than might have been the case. One argument is that the technology sectors such as videogames, are both capital-intensive and very fast moving, and are less well suited to the slower and more deliberative decision making style of co-ops, but we were unable to confirm or dispute this idea through this research. The Glasgow focus group featured a wider range of co-ops and were generally longer-established than those in Dundee (and it is a larger city), but otherwise the issues raised were similar and the impact of the local economy was not distinctive. Rural co-ops in

Dumfries and Galloway face greater problems of social and geographic isolation, but the fact that the interviews took place just before and during a global pandemic meant that issues of isolation were common to all of them.

The CWO survey had a larger sample size and broke co-ops down into worker co-ops (41%), what we called multi-stakeholder co-ops (11.4%), producer co-ops and consumer co-ops, with over a third of respondents belonging to an 'other' category. While we initially tried to focus on co-ops of various types, what rapidly became clear was that there were many organisations that strictly fall outside the definition of a 'co-operative' that nevertheless see themselves as adhering to co-operative principles.

There were a variety of organisational forms revealed in the interviews, though the most common was probably Community Interest Company (CIC), a form that was established to support social enterprises in particular. Workers' co-operatives were less common, probably fewer than 10% of those interviewed would fall into this category.

As in the CWO survey, the majority of existing co-ops were supported largely through member labour, without access to bank funding or public sector funding, other than in rare cases such as the subsidised space granted to Saltspace. However, public policy advice did play a larger role in these co-ops than was apparent in the CWO survey, with many having approached a support organisation such as Co-Operatives Development Scotland²⁵. This organisation - now part of Scottish Enterprise - was set up to support co-ops in particular, though more recently the focus has shifted to social enterprise, a term Alan Davidson from the Glasgow City Council argued was more favourable to the Scottish Government. Rural co-ops, particularly in the form of community shops, have been the focus of support, but the organisation has done little work specifically on creative industry co-ops.

Glasgow City Council also traditionally supported co-ops as part of its economic development strategy, but again a change in political control led to the de-emphasising of co-ops in favour of other forms of community or social enterprise. The Council is still able to offer support and advice to co-ops, although the size of grants available has been cut.

Organisations like Co-ops UK also play a vital role and were mentioned by several interviews, but if we want to increase the number of co-ops in the creative and cultural industries there is clearly greater scope for greater public sector involvement, particularly in specialist creative and cultural industries business support. What was striking among the more recent organisations that

²⁵ See <https://www.scottish-enterprise.com/our-organisation/about-us/who-we-work-with/co-operative-development-scotland>

we spoke to was that many had been encouraged to adopt the organisational form of a Community Interest Company, which was seen by advisors as the easiest model to adopt, even in cases that had wanted to become a workers' co-op. This may be because co-ops, particularly workers co-ops stress democratic decision making and this is often perceived to take a long time, indeed it may take more time than the two or three days' worth of advice that the businesses were often given. The typical decisions that any new enterprise needs to take (what's the idea, what's the market, what skills are needed, what's the name of the enterprise, what decision-making structure will be adopted, and so on) will be common across co-ops and non co-ops but the process of arriving at them may take longer. A CIC will commonly have fewer people involved at the start-up stage, a workers co-op will usually have a number of workers who will have a say about the incorporation. What happened in practice for some of the organisations we spoke to (particularly those that had been set up in the last five years or so) was that they had adopted a CIC organisational structure and followed this up with co-operative articles of association, the statement of principles and values that many feel makes them a co-op.

4.3 Challenges for co-ops

In terms of challenges, the research revealed a variety of issues, some of which were exacerbated by pandemic conditions.

Lack of advice on how to set up and run a co-op is a crucial issue and one which the sector is trying to resolve for itself. There are good online resources, but there are certainly cases where that is not enough and most interviewees felt they needed at least some specific advice: general business or economic development advisers have little experience of co-ops and specialist services are few and far between. Lack of understanding of what a co-op is and how they operate means that many of those who seek to start co-ops are reliant on word of mouth or informal advice and are heavily dependent on Co-ops UK.

For those who do manage to set up and run co-ops, access to finance is a clear problem as banks and other sources of commercial finance are hard to access, or are deemed by members to be unacceptable, because accessing bank finance requires surrendering worker control. In the CWO survey, online fundraising, loans from member or grants from foundations were among the most common sources of financial start-up support, while in our interviews there was no mention of online fundraising or foundation grants. A very small number had had public support in the form of subsidised or free space and in some cases small, public grants. Glasgow City Council can provide small grants up to £15,000 - and the recently-established Co-operate Islington (funded by Islington

Borough Council) is also planning to give out small grants ranging from £500 to £20,000 to help start or grow co-ops in Islington.

In some cases, organisations which have been run as co-ops have decided they can no longer continue in that form because access to funding such as Arts Council grants or funding from trusts and foundations is difficult to obtain.

This leaves new co-ops with simply sweat equity or memberships fees as initial sources of income and while for service industry co-ops such as architecture firms, fees can provide enough income to sustain the organisation, this is more difficult for those concerned with media or cultural production. Growth is similarly often slow and while this suits the ethos of co-ops (full membership is often 'earned' only after a period of time), it makes it very difficult for them to scale up. Investments in new technology, skills or premises can be similarly difficult if they require major capital outlay.

While access to funding and good quality advice is a common need across many business types, a particular challenge for co-ops in the creative industries can be dealing with the need to accommodate highly specialised work in a culture of shared labour. Conventional business wisdom is that specialisation is dealt with via division of labour which often fits well into a hierarchy, but in a workers' co-op the willingness to share all tasks – including running the co-op is often a core principle. While most of our interviewees said that they managed this tension without too much dissent, there are challenges. Where roles are highly specific - musicians, writers, actors, for example - it can be hard for those members to devote as much time to running the co-op as required. The possible tension between individual needs as a creator and the need to participate in mundane tasks (office cleaning was a heated source of discussion in one case) was raised in a few cases, while in other cases, it is the process of decision-making itself which is time-consuming. As one focus group member put it, 'the more consensus-based it gets and the more time that takes the less able they are to cover that'. The desire for democratic decision-making and particularly a more protracted form of such decision-making is occasionally at odds with need for productivity. Some co-ops are willing instead to have a separate admin/management function as long as decisions remain agreed by democratic process, but this comes with its own financial costs. And this together with a lack of access to financial resources forces co-operators to invest considerable amounts of free labour in their organisations. For many this is a core part of the commitment, but it sits slightly oddly in the creative and cultural sectors where 'free labour' has long been criticised for being exploitative.

5. Conclusion and recommendations

If the creative Industries are to fulfil their promise not just economically but socially as well, then there is a need to address both working conditions and patterns of ownership. Co-ops are just one of the ways to do this, but they offer benefits in terms of democratic decision making and shared ownership that other business models (including social enterprise) cannot. They thus speak to a hunger for a fairer, more democratic, way of working.

The research reported here took place at a particular moment, just before and during a global pandemic. That has no doubt affected the findings and indeed the 'mood' of interviewees which was a cautious one, with a great deal of commitment, but not much sense that they were on the cusp of a large increase in numbers. Support for co-ops, rather than increasing, was perceived to be withdrawing and many of the networks and events that sustained them had been curtailed by pandemic restrictions.

The post-pandemic era though is a good time to pay attention to measures that could help increase the number of co-ops in the creative industries.

These include:

A dedicated campaign to raise awareness of the potential for co-ops in cultural sectors. Greater awareness of the benefits and potential for co-ops among funders and support agencies – including organisations such as the Art Councils/Creative Scotland is a necessary first step. Awareness of the existing co-ops is part of this, ideas such as online visual maps of co-ops, regular promotion and networking sessions can help the current community of cultural co-ops feel less isolated. Accelerator initiatives such as UnFound²⁶ (delivered by the Co-Op Bank, Co-ops UK and Stir to Action) focussed on the potential for new platforms co-ops and could be adapted to the needs of the wider cultural co-ops sector. Such a campaign however would have to be clear that co-ops are only one form of alternative business models and social enterprises, partnerships and other forms of employee ownership may be better for some. The appeal of co-ops specifically is unavoidably a political one - the appeal of democratic decision-making and shared values, combined with a long history. It was this that interviewees often referred to when they spoke of their desire to form a co-op.

Knowledge of how to support co-ops is not widespread and most co-ops we spoke to felt they would have benefitted from more tailored advice, particularly if they wanted to form a workers' co-op. Co-ops UK does a great job, but it is not

²⁶ <https://www.uk.coop/start-new-co-op/support/start-platform-co-op/unfound-accelerator>

an economic development agency for the sector and does not have the resources to advise all potential co-ops. A training programme for co-op advisers - particularly for start-up co-ops, publicly funded and working with economic development agencies is needed. The sector has historically provided mutual support, it is a core part of the ethos of co-operatives and new initiatives such as the Barefoot Co-Op Development, which is training the next generation of co-op advisors, or Space4 a community-led support hub, are examples of how the co-op sector does this. Co-operate Islington, a consortium of co-ops and co-op organisers (which includes Space4) in partnership with Islington Council in London is an example of one such localised response and there are currently proposals for a similar initiative in Glasgow. But awareness of these initiatives is strongest among those who are already connected to the co-op sector, what is also needed is awareness beyond the sector of its potential.

This is where there is a powerful **role for higher education**. Creative (and cultural) industry programmes at under- and post-graduate levels are growing all the time, meaning that more of the workforce in the creative industries are graduates than ever before. Students on such programmes are increasingly aware of the problem of the creative industries in terms of exclusions, lack of diversity and poor working conditions. They have often experienced issues such as unpaid internships personally and indeed campaigns against abuses like unpaid work have often been led by students or recent graduates. In addition to teaching, universities are involved in creative industry research, cluster programmes, spins off and incubator space. But very few, if any, feature the co-ops model directly or for example have modules on working in a co-op or setting up a co-op²⁷. This is a space for effective intervention. Work-based learning with existing co-ops, teaching the history and ethos of co-ops,²⁸ and providing advice on establishing and running co-ops could be an element of more degree programmes and continuing professional development (CPD courses). As interviewees pointed out, co-operative ways of working need to be learned and while education often stresses project work and other collaborative forms of learning, assessment systems still often work against this grain.

As the Nesta report on platform co-ops makes clear²⁹, the lack of a profit-driven business model means raising money can be difficult, especially as co-ops are generally unwilling to sacrifice control in return for a financial investment. Granting equity to outsiders means risking losing control if a co-op has a 'one share, one vote' mechanism. As the report notes, this limits the ability

²⁷ See Oakley, K. Making Workers – Higher Education and the Cultural Industries Workplace, in Ashton, D. and Noonan, C. (eds.) *Cultural Work and Higher Education*. Palgrave Macmillan, 2013 for I discussion.

²⁸ Examples include <https://www.co-op.ac.uk/online-short-courses> or <https://philadelphia.coop/study-circles-2021-cooperatives-and-public-space/>

²⁹ Borkin (2019) Platform co-ops solving the capital conundrum

of co-ops to expand in capital-intensive sectors such as videogames. Interviewees felt that public funders generally require a more conventional governance structure, and even trust and foundations are unwilling to fund co-ops, something which has led to at least two of the organisations interviewed for this report changing their structures from co-operatives to CICs or other forms of organisations.

The last decade has seen a huge growth in community shares in the UK and these have been crucial in funding co-ops from pubs to football clubs and heritage buildings. These appear to hold out some hopes of funding co-ops in the creative and cultural sectors, but it is very time-intensive and awareness of them was low among interviewees, which again suggests a role for more advisers in this space. A dedicated fund, based on the community shares model, was suggested for platform co-ops; it would certainly be worth investigating if a dedicated fund could work in the creative and cultural sectors.

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