

More detail needed on Tory proposals, says Co-operatives UK

By David Ainsworth, Third Sector Online, 16 February 2010

Umbrella body responds to David Cameron's plans to allow public sector workers to form cooperatives

The umbrella body for cooperatives in the UK has said more detail is needed before it will decide whether to back Conservative proposals to allow public sector workers to form independent cooperatives to provide public services.

George Osborne, the shadow chancellor, announced yesterday that he wanted to give government workers the power to form employee-owned cooperatives, backed by state funding, to replace public sector service providers.

David Coulter, deputy chief executive of [Co-operatives UK](#), said he welcomed Conservative support for the cooperative movement.

"But with this idea, the devil will be in the detail," he said. "If it is imposed on public sector workers from above, it won't work. Or if it is seen as an attempt to get public services on the cheap, it won't work.

"If this is to work, the workers who get involved in this must be given plenty of good, accurate information. And these cooperatives must be bottom-up organisations, developed with support from every part of the workforce."

A Conservative paper outlining the plan, [Power to Public Sector Workers](#), says the move would allow employees to run their departments more efficiently and effectively.

"Studies show that, compared with other organisations, employee-owned ones such as cooperatives and mutuals enjoy higher productivity and profit, and have lower staff absence and turnover, because business and employee interests are closely aligned," it says.

It says a similar model, the 'right to request', pioneered in the NHS by Labour, showed that workers preferred a social enterprise model.

However, trade union [Unite](#) said it was opposed to the proposals.

"David Cameron is using the language of socialism to mask a break-up of public services," said Gail Cartmail, assistant general secretary for the public sector at Unite.

She said the proposals would mean national agreements for pay, employment conditions and pensions would have to be disbanded.