Do autonomous worker cooperatives for people with visual or physical impairments exist?

Information Monitoring Summary

*Documentary research*
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Notice to readers

The information in the following pages is not intended to be an exhaustive review of the literature. The goal was to make directly relevant selected information more readily available. Accordingly, not all articles or documents dealing with the topic have been reviewed.

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Do autonomous worker cooperatives for people with visual or physical impairments exist?

The question posed aims chiefly at finding out if autonomous worker co-operatives exist for people with a visual or physical impairment, how they were started and their effectiveness.

Summary

A co-operative is an enterprise that is jointly owned by the members who use its services. The employees are both members and owners of the enterprise. As collective owners, they both obtain employment for themselves and control the management and administration of their enterprise. A co-operative of the disabled is an "association of disabled persons whose goal is to promote the professional and social rehabilitation of its members through their paid employment in a common enterprise, administered according to the principles of self-management and cooperation, as part of a national economic plan, and to organize social and educational activities" (Office québécois de la langue française).

Co-operatives of the disabled are very rare, even more so for visual impairment. In the province of Québec, the only two co-operatives for the disabled, Horisol (worker cooperative) and Les ateliers Boirec (solidarity cooperative), are recognized as adapted work centres. They depend primarily on subsidies from various government organizations, such as the Office des personnes handicapées du Québec, the financial support program of the Ministry of Social Solidarity, the Workers Co-operatives Federation, Emploi Québec, etc. Workshops run by people with physical disabilities also exist, but here, too, survival depends largely on the subsidies they are able to obtain.

Elsewhere in the world, co-operatives (co-ops) for the disabled are rare. Supported employment or supported employment enterprise models are more common; however, representation of people with a visual disability is very low. Some social firms also exist, who have a large proportion of workers presenting disabilities of various natures. Management of these kinds of enterprises for the most part represents a considerable challenge to ensure their competitiveness and profitability.

One of the weaknesses of social enterprises is that for the most part their managers don't have adequate knowledge of how to blend the social and commercial goals they must encounter with disabled worker needs. The main factors contributing to social firm failures are associated with the basic business concept (inadequate market for services or products offered), lack of skills in sales and marketing, insufficient financing, inadequate management skills, organizational and operational restrictions, and lack of support and counseling. Québec disabled worker co-ops that have succeeded at survival offer a product that differentiates itself in the market, and which does not compete with products of other enterprises in the region.
1. Introduction

The information presented in this paper does not come from scientific sources, but rather from various reports, as our research in the scientific literature proved fruitless.

The present paper is divided into four main parts. First, definitions of worker cooperatives and disabled people’s cooperatives are presented for understanding these concepts, followed by a summary of the report "Taux de survie des entreprises coopératives du Québec" (survival rate of cooperative enterprises in Quebec). Next, Quebec worker cooperatives for disabled people or similar enterprises are presented. Lastly, supported employment and social firm models found in a series of reports from the “Visage – Action for Blind People” project are presented.

2. What is a worker co-op?

The Government of Canada defines a co-operative as an enterprise that is jointly owned by the members who use its services [1]. According to the information found in "Creating a Co-operative: An Information Guide" (Government of Canada), all members of a co-operative are equal decision makers in the enterprise, using a democratic system of one-member, one-vote. A worker co-op provides employment for its members. The employees are the members and the owners of the enterprise; as collective owners, they thus obtain both employment and control of the management and administration of their enterprise. One of the principles of the cooperation is that “members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership... If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.” In addition, if “attempting to meet an economic or social need that cannot be met by individuals acting alone, a co-operative may be the best way to resolve the problem with others who share the same goals.” Thus, the co-op offers a proven legal context regulating collective decisions and protecting the interests of all.

According to the Grand dictionnaire terminologique of the Office québécois de la langue française (Quebec French language office’s online dictionary), a co-operative of the disabled is an "(Association of disabled persons whose goal is)...to promote the professional and social rehabilitation of its members through their paid employment in a common enterprise, administered according to the principles of self-management and cooperation, as part of a national economic plan, and to organize social and educational activities: 1) to preserve and reinforce the physical means and skills of disabled persons and to reintegrate them in social activity; 2) to allow handicapped persons to earn their living through paid employment in conditions adapted to their
qualifications and the nature of their disability or infirmity, co-operative management
terms being strictly observed; 3) to meet the social needs of their members and
progressively improve their life conditions, while raising their cultural level and
reinforcing their social consciousness in the national interest.” (English translation)

3. Survival rate of co-operative enterprises in Quebec

The Quebec Ministry of Economic Development, Innovation and Export Trade (2008)
analyzed the survival rate of co-operative enterprises in Quebec [2]. The study shows
that 45.8% of worker co-ops reach the 5-year longevity mark, while only 29.3% reach
the 10-year mark. Wide disparities are observed between various work sectors. Thus,
in a 1999 report, ambulance and forestry co-ops represented the highest rates after five
years (83% and 62%, respectively) and after 10 years their survival rate was still
sizeable [3]. For other worker co-ops, however, the survival rate after five and ten years
was established at 39% and 21%, respectively. In addition, the study shows that, even
though their survival rates may be similar after three and five years, the survival rate of
companies numbering less than five employees at start up is higher after the 7th year
than those with five employees or more [2].

4. Quebec worker co-ops for people with physical disabilities

In Québec and Canada, there exist some worker co-ops integrating people who are
intellectually challenged, or have learning or addiction problems, but very rarely those
having a physical or vision disability. The few worker cooperatives for people with a
physical disability that we have surveyed are presented here.

a. Horisol worker co-op

[Translated extracts from the Gosselin, R. & Y. Comeau (May 2003). Monographie de
la coopérative de travail Horisol. Collection Études de cas d’entreprises d’économie
sociale - no ES0304, ed. Cahiers du CRISES, Montréal: Université du Québec à
Montréal.]

Horisol is the only Québec co-operative system enterprise in the wood industry
recognized as an Adapted Work Centre (AWC) by the Office des personnes
handicapées du Québec or OPHQ (Quebec office for the disabled) [4]. The enterprise’s
main social mission is to promote job creation and integration of disabled people in the
employment market.

Horisol’s story begins in 1980, the year when the Association Horizon-Soleil was
created. It began as an independent workshop where disabled people from the Islet-Nord
worked on a volunteer basis. Opening in 1981, the workshop did subcontracting
for various local companies (metal, plastic and boat building industries, etc.). Financing
sources were derived from various other foundations and benefit works, such as the
OPHQ. It was only in 1983 that the disabled workers began to receive a minimum salary, for until then, benefits were contributed to the workshop’s financial consolidation and financing a portion of worker transportation for traveling to work. The OPHQ contributed to paying the first salaries and the Ministry of Labor accorded job vouchers. In 1984, workshop employees formed a non-profit corporation (Corporation de travail Horizon-Soleil) which provided work for six disabled persons. A substantial subsidy from the OPHQ allowed adapting of equipment and acquisition and setup of a building. Various enterprises and finance companies also got involved in the enterprise’s project. In 1985, the work corporation numbered 12 workers, 11 of which presented a visual, physical or mental disability. The corporation produced an assortment of products via subcontracting with a variety of customers in commercial and industrial fields. The organization, managed by persons with disabilities, was nonetheless confronted with certain prejudices and, to combat them, had to provide superior quality work and shorter delivery times than its competitors. Support from the OPHQ allowed making up the profit margin sacrificed to the relatively weaker employee productivity. Finally, on December 22, 1987 the Corporation de travail Horizon-Soleil was constituted as a worker co-op under the name Horisol, specialized in manufacturing fence boards.

From 1984 to 1996 (data after 1998 are not available), in addition to obtaining work for its members, Horisol acted as a springboard for 19 disabled persons who found work in private and public enterprises in the region following their term with the organization.

Since 1998, Horisol has essentially produced fence boards. This choice assumes a strategic character; by limiting manufacturing to fence boards, the organization specializes in a single product and differentiates itself in the market, as there is no real competitor. The work load is medium-sized and the enterprise produces about 65% of a “normal” factory’s capacity. The productivity difference results from the fact that many of the workers have disabilities and others are in the process of work insertion or reinsertion. Subsidies are therefore necessary to make up the productivity difference.

The Horisol worker co-op was officially recognized by the OPHQ as an Adapted Work Centre (AWC) in 1991. Generally, Horisol is 70% self-financed, the remaining 30% being made up by subsidies from the OPHQ’s adapted enterprise subsidy program (PSEA), which pays a minimum wage salary to the forty workers presenting disabilities. The PSEA and its preparatory constituent are intended for disabled people who are productive but non-competitive in the labor market. It “aims to create quality employment, adapted to the needs of disabled persons who, though they may be productive, have significant functional limitations that prevent them from being competitive in a regular enterprise.” As an enterprise, the AWC must number among its personnel at least 60% who have physical or mental limitations; OPHQ financial aid proves necessary to compensate for the reduced productivity of the disabled persons. After making the application, the accredited AWC benefits from an annual subsidy
covering salaries and some capital assets. Other salary subsidies come from the Ministry of Social Solidarity and its financial support program—SOFI, which allows paying a portion of salaries to employees in reinsertion. The goal of the SOFI program is “to assist people incapable of providing for their essential needs in a permanent manner, or indeterminately, and who may present severe restrictions to employment.” (Note: The adapted enterprise subsidy program was transferred April 1st, 2006, to the Ministry of Employment and Social Solidarity, represented by Emploï-Québec [http://emploiquebec.net/francais/entreprises/entreprises_adaptees.htm]).

Horisol, like many other AWCs, benefits from the SOFI-AWC measure [4]. This is a special measure allowing transformation of income security’s SOFI benefits into a measure known as active labor insertion in an AWC. In terms of salary, the AWC program covers worker benefits, while SOFI assumes only the gross salary scale. The adapted enterprise must generate sufficient autonomous revenue to provide 15% of employee benefits cover its operating costs and compensate for the lower productivity of workers having more severe disabilities than people accepted in the AWC program. Gosselin and Comeau (2003) mention that the SOFI-AWC measure creates a certain confusion related to the fact that the AWC program comes from the OPHQ, the SOFI from the ministry of social solidarity, and the workers are presented from Service Externe de main d’oeuvre (external service of labor force) or the local Emploi-Québec office. This situation may lead to inconsistencies, a dissipation of measures and apparently diverging points of view on insertion of disabled persons. The selection process also brings to Horisol people experiencing severe insertion difficulties; insertion and reinsertion of these people is complex and the dropout rate is apparently high.

In 2001, Horisol numbered 63 workers, about forty of whom presented a physical or mental disability. In 2007, after a shutdown of one year, Horisol launched again with a new program focused on made-to-order manufacturing, production-line flexibility and maximal recuperation of downgraded wood, then employing 97 people [5].

Horisol belongs to the adapted enterprise network through the Conseil québécois des entreprises adaptées (Quebec council of adapted enterprises). The network includes 42 adapted enterprises and 176 products and services in a variety of sectors [6].

b. **Coopérative de solidarité Les Ateliers Boirec**

The Coopérative de solidarité Les Ateliers Boirec, specialized in wood transformation, employs nine people with a physical or mental impairment. Its primary mission is social insertion of people with a mental and/or physical disability. “Through the support of the Vallée-de-la-Gatineau local development centre, allowing development of a market study, the provisional committee formed of Emploi-Québec, the local development centre and the Office des personnes handicapées du Québec in 2002 combined winning conditions to produce fire wood, and handling pallets from waste products.
Since 2003, the enterprise modified production in keeping with the price of its primary material. One of the enterprise’s success keys is that its production does not enter into competition with other enterprises in the area but operates in complement to them. It currently produces stacking laths for the Maniwaki Bowater inc. plant and the Domtar plant located at Elk Lake, Ontario. They can also meet a variety of requests from the secondary and tertiary wood transformation sectors.” (translated extract from CAMO pour personnes handicapées. Le Bulletin, February 2007) [7]. The co-op also benefits from a quantity of financial support, including the Canadian Worker Co-op Federation and Emploi-Québec. In 2006, 36.4% of its revenue came from sales [8].

c. Main-Forte Montréal inc. and Amalgame Montréal inc.

In 1988, following a reorganization of the Constance-Lethbridge Rehabilitation Centre, the Health Canada Innovation Program subsidized the creation of three modules — Main-Forte Montréal inc., Coude à coude Montréal inc. and Amalgame Montréal inc., to allow 36 people with a physical disability to integrate in an environment recreating the job market [9]. Though not worker co-ops as such, these work modules, managed by their participant members, have a formula of taking charge by the members for the members. The workers perform repetitive tasks under subcontract, seated at a table (assembly, labeling, packaging and bagging and mailing). Participants see to administration, maintenance, work organization, hiring and acceptance of new participant members in the organization. They also make up the majority of the Board of Directors. The workers being unable to have competitive productivity, the modules depend in part on financial support from the Centre d’action de développement et de recherche en employabilité, of the OPHQ and the Interagir social assistance and support program. According to Ms. Renée Caron, overseer of Main-Forte Montréal inc. and Amalgame Montréal inc., worker co-ops composed of people with disabilities face a major difficulty in the form of their worker productivity; as the latter is not competitive, the workshops are greatly dependent on outside financial support (personal communication, July 28, 2008). Ms. Caron also mentioned that financial management additionally represents a sizable challenge in ensuring enterprise survival.

d. Coopérative Horizon Emploi

The Coopérative Horizon Emploi is not a worker co-op, but rather a nonprofit placement agency. It “works at developing socioprofessional skills and labour market integration for Ottawa Francophones with a developmental disability. The Co-op also includes an entrepreneurship arm, allowing development or participation of job creation projects. Since 1998, in partnership with multiple enterprises in the region, the Co-op assists its members in enhance job search or creation to increase their participation in community social and economic life.” [10]
5. The situation outside Canada

No disabled people's co-op intended specifically for people with vision impairment was surveyed either in the scientific literature or on the Web. However, a disabled people's co-op whose online information welcomed people with vision impairment among others was listed at Niamtougou, in Togo. This co-op, CODHANI, numbers 52 members [11].

Its main activities are production and marketing of textile products such as clothes, household linen, towels and accessories like bags, etc., and use of various batik techniques to work cotton materiel into assorted products finished or sold for the particular transformation. The products are on sale in two boutiques owned by CODHANI, at Niamtougou and at Lomé, and in sales outlets located in two other cities.

Multiple disabled people's co-ops were surveyed on the Web. The companies Elektron, Wiosna Ludow (industry in the field of plastics technologies), GRYF Co-operative of the Disabled (clothing manufacture and cardboard box production) and START (manufacturer specialized in the production of electric, metallic wire, brushes for home and specialized use) are all located in Poland, but none followed up on our request for information. It should be noted that they are probably supported employment enterprises rather than worker co-ops as such. For example, the START enterprise, which employs 150 people and carries the title “co-operative of the disabled”, is in fact a supported employment enterprise, which allows its customers to take advantage of exemptions related to contributions to the National Fund for Rehabilitation of the Disabled. In the United Kingdom, the Royal Stratchclyde Blindcraft Industries (RSBI) is a workers co-op that manufactures furniture, furniture coverings and kitchen units [12]. It employs 280 people, of which 100 are on the supported employment program. Most of the disabled workers have a learning problem; very few have a vision impairment [12]. Elsewhere, in Spain, the Sociedad Cooperativa Catalana Limitada Taller Auria is a disabled persons co-op in the field of label manufacturing [13, 14]. We were not able to obtain information on how many vision impaired people were in this co-op. Like all social enterprises in Spain, this one is financially supported by various state and independent organizations [13].

Information presented in this section mainly comes from various reports commissioned by VISAGE Development Partnership, directed by Action for Blind People, which supports blind and partially sighted people toward employment. The project was initiated in England in partnership with the European Union. It was conceived with the goal of targeting employability obstacles faced by many disabled people, more especially those who are vision impaired. One of the reports produced in the context of the project, Existing Models: Research Report (June 2006), examines the models used to assist blind and partially sighted people in their employment, and those who present other impairments [15]. The models are: supported employment, including placement assistance; protected workshops; transitional employment; professional rehabilitation;
social firms. The report cites examples of “best practice and new models” for each of the models. For the purposes of this paper, only supported employment and social firms’ models are addressed.

**Supported employment** refers to actual jobs held by people with disabilities in an integrated community environment. They benefit from individualized support from an agency with expertise in the area of job search for disabled people to ensure long-term integration success. The supported employees work for at least the minimum or standard wage for their job. There is also support for entrepreneurship, where disabled people have direct access to support to assist them in developing an enterprise for which they are owners or independent employees. These individuals may decide to group together and thus risk making less than the minimum wage. In Canada, the Canadian Association for Supported Employment has existed since 2003 [16].

Multiple supported employment models exist in Europe. For example, in Poland, some companies have a special status and are known as "protected", as at least 40% of their workforce are employees with various forms of disabilities [15]. In England, most supported employment is found in the manufacturing sectors, production and light assembly. The Tremorvah Industries company, cited as an example of excellence practice, is a supported employment workshop that includes among its personnel 70% people presenting a disability [15]. Supported by the Department of Social Services, it is the provider and manufacturer of a number of textile products (e.g. textile designer and manufacturer, uniforms, embroidery, padding etc.). It also offers work activities such as woodwork, packaging, sales, installation and after-sales service of elevators, escalators, etc. About 70% of its assets come from commercial activities [17]. The advantage of the supported enterprises is that they obtain work for many disabled people. However, many of these enterprises suffer from stigmatization and a lack of confidence on the part of potential customers, have insufficient financing, bloated administration and obtain inequitable conditions and benefits for disabled persons, as is the case in Slovakia [15].

**Social firms** are commercially competitive enterprises, generally of small size, where 25-50% of employees have a functional disability. Their goal is to create jobs for people disadvantaged on the labor market. The workers, paid according to the current labor market scale, have rights and obligations [15]. In England, in 2005, social firms obtained work for 1550 workers, of which 55% were disabled [15]. In Spain, special employment centres (*Centros Especiales de Empleo*) constitute social firm models. To obtain accreditation, 70% of their employees must have a disability [13]. Most disabled workers integrated in social firms have, in practice, mental health or learning problems; very few have vision disabilities [13, 15, 17]. The great majority of these organizations work in the service sector (e.g. mailing, warehousing and distribution, cafés, gardening centres, etc.), but some also work in the industrial sector. Some social firms may also
lead certain individuals to be sufficiently competitive to be integrated in the regular work market, whereas others remain in a supported environment for the long term [12]. One of the weaknesses of social enterprises is that for the most part their managers don’t have adequate knowledge of how to blend the social and commercial goals they encounter with disabled worker needs [15]. Moreover, social firms—at least those in the United Kingdom—have the principle that all workers be paid according to the rate in effect on the labour market, or at least a salary appropriate to the work provided, regardless of productivity capacity. But this goal is difficult to obtain, as some workers are susceptible to productivity fluctuations or downturns [12]. In view of more and more ferocious labour market competition, it has also been observed that supported employment models must include a significant increase in manager abilities to make the organizations more commercially oriented and less dependent on public subsidies [18]. The main factors contributing to social firm failures, moreover, are associated with the basic business concept (inadequate market for services or products offered), lack of skills in marketing and sales, insufficient financing, inadequate management skills, organizational and operational restrictions, and lack of support and counseling [15].

According to the Prevista (May 2006) report, social firms and supported employment may be the models closest to ideal social inclusion, as in each of these models employees with disabilities are equal in terms of work conditions, salaries, access to training and career progression [15]. It seems that the fact of having mixed labour—with and without disabilities—is more beneficial both for the employees and enterprise performance.

The only example of excellence practice in the European Union in regard to the progression of blind or partially sighted people toward competitive employment is that of Spain’s ONCE (Organization National de Ciegos Españoles) [15]. In existence since 1938, ONCE is a social enterprise—a non-profit community enterprise that procures generic and specialized services for the complete social and employment integration of Spanish people with a disability [13]. ONCE is financially supported by its own national daily lottery; all profits go to it. In 1988, the ONCE Foundation was created. Its goal is to integrate people with a disability other than visual, through employment and training. In 1993, the ONCE entrepreneurial corporation (CEOSA) was established and began diversifying ONCE activity in sectors like service and tourism. Lastly, in 1998, the ONCE foundation for Latin America (FOAL) was created. ONCE obtains direct or indirect work for 88,000 people, more than 75% of whom have a disability, through a partnership with 115 employer organizations. ONCE is not, however, a worker co-op.
6. References


