

CPG for Co-operatives and Mutuals Virtual Meeting, 15/02/23

Attendees:

Vikki Howells MS – Chair
Dan Roberts - Cwmpas Events
Team (Secretary)
Prof Andrew Henley
Siân Gale
Derek Walker
Luke Fletcher MS
Michael Allen
Alex Bird
Mollie Roach
Gemma Casey
Ryland Doyle
Edna Leys
Mark Hooper
Casey Edwards
Elizabeth Hudson
Catrin Huws
Robin Lewis
Ioan Bellin
Ged Bermingham
Mari Tudur
Yolanda Barnes
Sian Williams
Bev Fold

The Group's Chair, **Vikki Howells MS**, started the meeting by thanking outgoing Cwmpas Chief Executive, **Derek Walker**, for his contribution to the Cross Party Group for Co-operatives and Mutuals over recent years, and wished him the best of luck in his new role as Wales' Future Generations' Commissioner. Vikki then introduced the topic of the meeting, which was the challenges facing self-employed people in Wales, the potential for co-operative models to provide a solution. Vikki noted that higher levels of entrepreneurship had long been a policy ambition of the Welsh Government, but a recent report by the Bevan Foundation had found that self-employed people in Wales were facing considerable challenges and had lower incomes and access to insurance than employed people in Wales.

The first speaker at the meeting was **Professor Andrew Henley**, Professor of Entrepreneurship and Economics at Cardiff Business School. Prof Henley presented the self-employed sector in Wales as having high levels of heterogeneity – from highly qualified knowledge sector professionals through "craft-based" tradespeople to "dependent contractors". He noted that one in five self-employed people in Wales created jobs for others.

Prof Henley noted that there had been a considerable rise in self-employment in Wales for 2 decades which peaked in 2015, before a fall during the covid-19 pandemic. He noted that there were 3 geographic variations in self-employment in Wales; rural areas with high levels of self-employment but low earnings, prosperous urban areas with self-employment associated with graduate-level skills and higher earnings, and lagging areas with low economic demand and lower skill levels among self-employed people. Prof Henley suggested that his analysis of the situation was that rather than self-employment being explained by “necessity entrepreneurship” driven by fewer employment opportunities, but self-employment more likely being encouraged by higher economic prosperity in an area causing an increased demand.

Prof Henley noted that men were twice as likely to be self-employed as women, but that this gap was gradually closing. He noted that older people are more likely to be self-employed, and self-employed people tend to retire at an older age than the employed. Self-employment was found to be higher in certain sectors including agriculture, construction and some service sectors. He noted that the gig economy is a growing element of self-employment and likely to be contributing to the lower incomes found in the data. Self-employed gig workers, in contrast to all other groups, saw hours increase and hourly earnings fall between 2009-2012 and 2016-2019.

Prof Henley noted that it is very difficult to compare earnings between the employed and the self-employed. The Bevan Foundation report found that there was a 50% earnings gap between the employed and self-employed. When matched with an equivalent sample of the employed, household material deprivation scores of the self-employed are slightly higher (up to about 16% worse). The same data suggests that the self-employed are worse off at every point along the household earnings distribution until the top decile.

Prof Henley noted that there were several potential policy responses to the data, including improved business support for the self-employed, supporting people in their costs such as housing and childcare, and protections such as access to benefit schemes, paid sick leave and national living wage coverage.

The next speaker was **Siân Gale** from BECTU, the trade union which represents behind the scenes workers in Broadcasting, Film, Digital, Theatre & Live Events. The creative industries have one of the highest levels of self-employment of any sector in Wales. Siân outlined some of the challenges facing workers in this sector:

- Lack of permanent / secure jobs (Freelance & Casual)
- Lack of consistent, formal, long-term, paid training schemes
- Recruitment via word of mouth (discriminates against under-represented groups & many geographical areas)
- Lack of worker benefits – pensions, sick pay, insurances
- Lack of information / networks for new entrants
- Lack of progression opportunities – no employer support
- Long & unsocial hours (isolation when not working)
- Culture of fear & bullying, harassment & discrimination

Siân noted some of the benefits of trade union membership for these workers, as well as potential benefits of co-operative models based on solidarity, empowerment and inclusion:

- Common ownership of problems and collectivity in problem solving rather than a space to exploit
- Honing the craft together across co-ops to share 'back office' load & systems
- Flexibility to work collectively & independently - freelancer / worker owner
- Critical cultural unlearning from career advice / individual achievement & target structure of education
- Opportunities to utilise technology to think more about collective bargaining and economies of exchange & scale

Finally, **Daniel Roberts** of Cwmpas gave an overview of the co-operative and social enterprise models and how they might be applicable to this context. He discussed the potential benefits of these models for workers through allowing people to share resources and create insurance options, for the economy by increasing productivity and making businesses more sustainable, and for communities by anchoring ownership and developing community assets.

Dan then discussed international examples of these co-operative models such as Dutch bread funds, recent French legislation and the Consorzio Cooperative Costruzione in Italy that has continued to expand to become one of the largest construction companies in Italy with 230 worker co-operative members and 20,000 worker-owners overall. Dan discussed a Welsh example, The Timber Co-operative, who started out as independent crafts people and timber workers, who came together organically. They initially teamed up to work on specific projects, before finally incorporating. Today they are proud to be a workers co-operative, which means that their business is collectively owned and operated by its members. They have a non-hierarchical, equal pay structure and practice consensus decision making. They have a social enterprise mission statement with sustainability, partnership and impact at its heart.

Vikki then invited questions from the audience, and herself asked about self-employment in the south Wales valleys. She noted that the Valleys Taskforce tried to encourage more people in the valleys into self-employment, but hadn't seen any evidence of impact yet, so asked what the government could do to encourage self-employment in areas with low levels at the moment. Prof Henley noted that the latest census data showed that the problem was persistent. He noted that opportunities tend to be driven by economic demand, and areas of low wealth and low prosperity have not been a good base for locally-driven self-employment opportunities. He noted that a lot of self-employment in these areas are among people who travel to work, who then go to more prosperous areas such as Cardiff. Attitudes towards risk are also key – particular for younger people, and younger women. There are no easy answers – we need to think about big picture questions around prosperity generally, to create economic opportunities.

Michael Allen said he had enjoyed the meeting and had felt it was very constructive. He is chairing a project in west Wales, and noted that there were several opportunities within it for self-employed people. He asked whether Local Authorities are supporting community benefit societies sufficiently, as he felt decision-making in practice was not reflecting policy to support this. Other attendees also reflected this experience, and noted that increasing awareness of community benefit societies was important.

The group discussed the impact of a lack of relevant role models in encouraging self-employment and entrepreneurship. Dan noted his research which found that people didn't necessarily associate self-employment with the word entrepreneurship, and may even be put off by it. Andrew noted that

this has been relevant in the literature for a while, and that there are 2 types of role models; inspiring figures, and people who teach you how to become an entrepreneur in a practical way. Andrew noted the Big Ideas Wales programme as an example of best practice that the rest of the world has come to Wales to learn from. He noted that to encourage co-operatives and social enterprises in this context, we need to give a platform to people in this sector within entrepreneurship education.

Gemma Casey, eco-system manager for Wales at Natwest, discussed the business support services they provide. She noted the Rose Review of female entrepreneurship, which is annually updated, and said that in this year's they will have a spotlight on female entrepreneurs in Wales. The Review highlighted that women said they had a lack of female role models, and Natwest have had several interventions of this, and especially the value of partnership. They have launched a podcast series called Inspiring Women Wales, which gives a platform to local and relevant Welsh women entrepreneurs.

Mark Hooper then urged a note of caution about encouraging self-employment and entrepreneurship when we know that the data shows that there are considerable financial challenges for self-employment in Wales. It can be a damaging narrative if we promote self-employment as a route out of poverty in all contexts. Michael then discussed his experiences of the challenges of self-employment, and how we need to take a new attitude towards business failure and see this as a positive experience that we can learn from, and ensure that society and our economic systems don't stigmatise failure.

Vikki then closed the meeting, thanking the guest speakers and the attendees for their contributions. The next meeting of the Cross Party Group will be organized and promoted soon.

Dechreuodd Cadeirydd y Grŵp, Vikki Howells AS, y cyfarfod drwy ddweud diolch i Brif Weithredwr Cwmpas, Derek Walker, am ei gyfraniad i'r Grŵp Trawsbleidiol ar gyfer Cwmnïau Cydweithredol a Chydfuddiannol dros y blynyddoedd diwethaf, a dymunodd y gorau iddo yn ei rôl newydd fel Comisiynydd Cenedlaethau'r Dyfodol Cymru. Wedyn, cyflwynodd Vikki destun y cyfarfod, sef yr heriau sy'n wynebu pobl hunangyflogedig yng Nghymru, a'r botensial i fodelau cydweithredol ddarparu atebion. Nododd Vikki fod lefelau uwch o entrepreneuriaeth wedi bod yn uchelgais polisi gan Lywodraeth Cymru ers tro, ond roedd adroddiad diweddar gan Sefydliad Bevan wedi canfod bod pobl hunangyflogedig yng Nghymru yn wynebu heriau sylweddol a bod ganddynt incwm a mynediad is at yswiriant na phobl gyflogedig yng Nghymru.

Y siaradwr cyntaf yn y cyfarfod oedd yr Athro Andrew Henley, Athro Entrepreneuriaeth ac Economeg yn Ysgol Busnes Caerdydd. Dangosodd yr Athro Henley lefelau uchel o heterogenedd yn sector hunangyflogedig yng Nghymru – o weithwyr proffesiynol cymwys iawn yn y sector gwybodaeth i grefftwyr "seiliedig ar grefft" i "gontractwyr dibynnol". Nododd fod un o bob pump o bobl hunangyflogedig yng Nghymru yn creu swyddi i eraill.

Nododd yr Athro Henley y bu cynnydd sylweddol mewn hunangyflogaeth yng Nghymru ers 2 ddegawd, a gyrhaeddodd ei uchafbwynt yn 2015, cyn cwmp ystod y pandemig covid-19. Nododd

fod 3 amrywiad daearyddol mewn hunangyflogaeth yng Nghymru; ardaloedd gwledig gyda lefelau uchel o hunangyflogaeth ond enillion isel, ardaloedd trefol llewyrchus gyda hunangyflogaeth yn gysylltiedig â sgiliau lefel graddedig ac enillion uwch, ac ardaloedd gyda galw economaidd isel a lefelau sgiliau is ymhlith pobl hunangyflogedig. Awgrymodd yr Athro Henley mai ei ddadansoddiad o'r sefyllfa oedd yn hytrach na hunangyflogaeth yn cael ei esbonio gan "entrepreneuriaeth anghenraid" wedi'i sbarduno gan lai o gyfleoedd cyflogaeth, ond hunangyflogaeth yn fwy tebygol o gael ei annog gan ffyniant economaidd uwch mewn ardal sy'n achosi mwy o alw.

Nododd yr Athro Henley fod dynion yn ddwywaith fwy tebygol o fod yn hunangyflogedig na menywod, ond bod y bwlch hwn yn cau'n raddol. Nododd fod pobl hŷn yn fwy tebygol o fod yn hunangyflogedig, a phobl hunangyflogedig yn tueddu i ymddeol yn hŷn na'r rhai cyflogedig. Canfuwyd bod hunangyflogaeth yn uwch mewn rhai sectorau gan gynnwys amaethyddiaeth, adeiladu a rhai sectorau gwasanaeth. Nododd fod yr 'economi gig' yn elfen gynyddol o hunangyflogaeth ac yn debygol o fod yn cyfrannu at yr incwm is a geir yn y data. Gwelodd gweithwyr 'gig' hunangyflogedig, yn wahanol i bob grŵp arall, oriau'n cynyddu ac enillion fesul awr yn disgyn rhwng 2009-2012 a 2016-2019.

Nododd yr Athro Henley ei bod yn anodd iawn cymharu enillion rhwng y cyflogedig a'r hunangyflogedig. Canfu adroddiad Sefydliad Bevan fod bwlch enillion o 50% rhwng y cyflogedig a'r hunangyflogedig. O'u paru â sampl cyfatebol o'r cyflogedig, mae sgorau amddifadedd materol cartrefi'r hunangyflogedig ychydig yn uwch (hyd at tua 16% yn waeth). Mae'r un data yn awgrymu bod pobl hunangyflogedig yn wneud yn waeth ar bob pwynt ar hyd y dosbarthiad enillion aelwydydd tan y ddegradd uchaf.

Nododd yr Athro Henley fod nifer o ymatebion polisi posibl i'r data, gan gynnwys gwell cymorth busnes i'r hunangyflogedig, cefnogi pobl gyda'u costau megis tai a gofal plant, a mesurau diogelu fel mynediad at gynlluniau budd-daliadau ac absenoldeb salwch.

Y siaradwr nesaf oedd Siân Gale o BECTU, yr undeb llafur sy'n cynrychioli gweithwyr y tu ôl i'r llenni mewn Darlledu, Ffilm, Digidol, Theatr a Digwyddiadau Byw. Mae gan y diwydiannau creadigol un o'r lefelau hunangyflogaeth uchaf o unrhyw sector yng Nghymru. Amlinellodd Siân rai o'r heriau sy'n wynebu gweithwyr yn y sector hwn:

- Diffyg swyddi parhaol / diogel (Llawrydd ac Achlysurol)
- Diffyg cynlluniau hyfforddi cyson, ffurfiol, hirdymor â thâl
- Recriwtio ar lafar (yn gwahaniaethu yn erbyn grwpiau heb gynrychiolaeth ddigonol a llawer o ardaloedd daearyddol)
- Diffyg buddion gweithwyr – pensiynau, tâl salwch, yswiriant
- Diffyg gwybodaeth / rhwydweithiau ar gyfer newydd-ddyfodiaid
- Diffyg cyfleoedd dilyniant – dim cefnogaeth cyflogwr
- Oriau hir ac anghymdeithasol (ynysu pan nad ydych yn gweithio)
- Diwylliant o ofn a bwlio, aflonyddu a gwahaniaethu

Nododd Sian rai o fanteision aelodaeth undeb llafur i'r gweithwyr hyn, yn ogystal â manteision posibl modelau cydweithredol yn seiliedig ar undod, grymuso a chynhwysiant:

- Perchnogaeth gyffredin ar broblemau a chyfundrefn wrth ddatrys problemau yn hytrach na lle i fanteisio arno
- Hogi'r grefft gyda'i gilydd ar draws cydweithfeydd i rannu llwyth a systemau 'swyddfa gefn'
- Hyblygrwydd i weithio ar y cyd ac yn annibynnol - gweithiwr llawrydd / perchennog gweithiwr
- Dad-ddysgu diwylliannol hollbwysig o gyngor gyrfa / cyflawniad unigol a strwythur targed addysg
- Cyfleoedd i ddefnyddio technoleg i feddwl mwy am gydfargeinio ac arbedion cyfnewid a maint

Yn olaf, rhoddodd Daniel Roberts o Cwmpas drosolwg o'r modelau mentrau cydweithredol a chymdeithasol a sut y gallent fod yn berthnasol i'r cyd-destun hwn. Trafododd fanteisio posibl y modelau hyn i weithwyr drwy ganiatáu i bobl rannu adnoddau a chreu opsiynau yswiriant, i'r economi drwy gynyddu cynhyrchiant a gwneud busnesau'n fwy cynaliadwy, ac i gymunedau drwy angori perchnogaeth a datblygu asedau cymunedol.

Yna trafododd Dan enghreifftiau rhyngwladol o'r modelau cydweithredol hyn megis cronfeydd bara'r Iseldiroedd, deddfwriaeth Ffrainc ddiweddar a'r Consorzio Costruzione Costruzione yn yr Eidal sydd wedi parhau i ehangu i fod yn un o'r cwmnïau adeiladu mwyaf yn yr Eidal gyda 230 o aelodau cydweithredol o weithwyr a 20,000 o weithwyr-berchnogion i gyd. Trafododd Dan enghraifft Gymreig, The Timber Co-operative, a ddechreuodd fel crefftwyr annibynnol a gweithwyr coed, a ddaeth at ei gilydd yn organig. Fe wnaethant ymuno i ddechrau i weithio ar brosiectau penodol, cyn ymgorffori o'r diwedd. Heddiw maent yn falch o fod yn gydweithfa gweithwyr, sy'n golygu bod eu busnes yn eiddo i'w gilydd ac yn cael ei weithredu gan ei aelodau. Mae ganddynt strwythur cyflog cyfartal nad yw'n hierarchaidd ac maent yn arfer gwneud penderfyniadau consensws. Mae ganddynt ddatganiad cenhadaeth menter gymdeithasol gyda chynaliadwyedd, partneriaeth ac effaith yn ganolog iddo.

Wedyn, gwahoddodd Vikki gwestiynau gan y gynulleidfa, a gofynnodd hi ei hun am hunangyflogaeth yng nghymoedd de Cymru. Nododd fod Tasglu'r Cymoedd yn ceisio annog mwy o bobl yn y cymoedd i hunangyflogaeth, ond nad oedd wedi gweld unrhyw dystiolaeth o effaith eto, felly gofynnodd beth allai'r llywodraeth ei wneud i annog hunangyflogaeth mewn ardaloedd â lefelau isel ar hyn o bryd. . Nododd yr Athro Henley fod data'r cyfrifiad diweddaraf yn dangos bod y broblem yn un barhaus. Nododd fod cyfleoedd yn tueddu i gael eu gyrru gan alw economaidd, ac nid yw ardaloedd o gyfoeth isel a ffyniant isel wedi bod yn sylfaen dda ar gyfer cyfleoedd hunangyflogaeth a yrrir yn lleol. Nododd fod llawer o hunangyflogaeth yn yr ardaloedd hyn ymhlith pobl sy'n teithio i'r gwaith, sydd wedyn yn mynd i ardaloedd mwy llewyrchus fel Caerdydd. Mae agweddau tuag at risg hefyd yn allweddol – yn arbennig ar gyfer pobl iau, a merched iau. Nid oes atebion hawdd – mae angen i ni feddwl am gwestiynau darlun mawr ynghylch ffyniant yn gyffredinol, er mwyn creu cyfleoedd economaidd.

Trafododd y grŵp effaith diffyg modelau rôl perthnasol o ran annog hunangyflogaeth ac entrepreneuriaeth. Nododd Dan ei ymchwil a ganfu nad oedd pobl o reidrwydd yn cysylltu hunangyflogaeth â'r gair entrepreneuriaeth, ac y gallent hyd yn oed gael eu digalonni ganddo. Nododd Andrew fod hyn wedi bod yn berthnasol yn y llenyddiaeth ers tro, a bod 2 fath o fodelau rôl; ffigurau ysbrydoledig, a phobl sy'n eich dysgu sut i ddod yn entrepreneur mewn ffordd ymarferol. Nododd Andrew raglen Syniadau Mawr Cymru fel enghraifft o arfer gorau y mae gweddill y byd wedi dod i Gymru i ddysgu oddi wrthynt. Er mwyn annog mentrau cydweithredol a chymdeithasol yn y cyd-destun hwn, nododd fod angen inni roi llwyfan i bobl yn y sector hwn o fewn addysg entrepreneuriaeth.

Bu Gemma Casey, rheolwr eco-systemau Cymru yn Natwest, yn trafod y gwasanaethau cymorth busnes y maent yn eu darparu. Nododd Adolygiad Rose o entrepreneuriaeth benywaidd, sy'n cael ei ddiweddarau'n flynyddol, a dywedodd y byddant yn cael sylw eleni ar entrepreneuriaid benywaidd yng Nghymru. Amlygodd yr Adolygiad fod menywod yn dweud bod ganddynt ddiffyg modelau rôl benywaidd, a bod Natwest wedi cael sawl ymyriad o hyn, ac yn enwedig gwerth partneriaeth. Maent wedi lansio cyfres o bodlediadau o'r enw Ysbrydoli Menywod Cymru, sy'n rhoi llwyfan i entrepreneuriaid benywaidd lleol a pherthnasol o Gymru.

Wedyn, anogodd Mark Hooper nodyn o rybudd ynghylch annog hunangyflogaeth ac entrepreneuriaeth pan wyddom fod y data'n dangos bod heriau ariannol sylweddol i hunangyflogaeth yng Nghymru. Gall fod yn naratif niweidiol os ydym yn hyrwyddo hunangyflogaeth fel llwybr allan o dlodi ym mhob cyd-destun. Yna bu Michael yn trafod ei brofiadau o heriau hunangyflogaeth, a sut mae angen inni fabwysiadu agwedd newydd tuag at fethiant busnes a gweld hwn yn brofiad cadarnhaol y gallwn ddysgu ohono, a sicrhau nad yw cymdeithas a'n systemau economaidd yn stigmatiddio. methiant.

I orffen, caeodd Vikki y cyfarfod, gan ddiolch i'r siaradwyr gwadd a'r mynychwyr am eu cyfraniadau. Bydd cyfarfod nesaf y Grŵp Trawsbleidiol yn cael ei drefnu a'i hyrwyddo'n fuan.