

Case Study 5.3

Edinburgh Bicycle Co-operative

Edinburgh Bicycle Co-operative is a highly successful worker co-operative with outlets across the UK including Edinburgh, Aberdeen, Manchester, Newcastle, and Leeds. When the company was founded in 1977, the members were committed to the ideological beliefs of worker co-operation and decided to express this solidarity by adopting an equal pay structure. As the company grew, many of the members felt that this pay structure was unfair and a vote was had to move to a system of pay based on a member's needs, for example if they had a number of children to support. This structure lasted a few years before the members again felt that this system was unfair and so reverted back to equal pay. This was not to be the end of the evolution of Edinburgh Bicycle Co-operative's pay structure; it was changed another three times before eventually settling for pay based on an employee's position in the organisational hierarchy but with limited pay differentials (something we will encounter during our extended case study at the end of the chapter). A summary of Edinburgh Bicycle Co-operative's pay structure evolution is provided below:

- Equal pay
- To each according to their need
- Equal pay
- Pay based on seniority
- Pay reflecting position in hierarchical structure
- Pay reflecting position in hierarchical structure with explicitly limited differentials

