

EVERYONE CAN BE AN OWNER

Worker-owned co-ops growing

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LAURA MAYORGA of Oakland was about to leave the United States for a trip abroad, but she managed to squeeze in one last visit Thursday to Arizmendi Bakery in Oakland, grabbing a slice of mozzarella, roasted yellow onion and red cabbage pizza.

Arizmendi is worthy of a special trip, Mayorga said.

"The food is so fresh," she said.

But the bakery, known for its exceptional cheese bread, scones and pizzas, is special for another reason. It belongs to its employees, known as "owner-workers." There are no bosses — or, more accurately, everyone who works there is the boss.

The bakery, along with Berkeley's Cheese Board Collective, the Berkeley Free Clinic and San Francisco's Rainbow Grocery Cooperative, is an example of the 30-year tradition of worker-owned cooperatives in the Bay Area, which has the largest concentration of such companies in the United States.

And insiders say the sector is growing, with numerous co-ops opening in the Bay Area over the last five years. Still more are in the planning stages, with cities including Walnut Creek and Concord seen as "great opportunities," according to a spokesman for the Cheese Board, a Berkeley pizzeria and bakery.

Nationally, worker cooperatives are a \$400 million business, according to the National Cooperative Business Association. Bay Area worker-owned co-ops generate more than half that amount, said Melissa Hoover, executive director of the San Francisco-based U.S. Federation of Worker Cooperatives.

In the Bay Area, there are two main types of cooperatives: consumer, such as outdoor outfitter REI, and worker-owned.

"With a consumer co-op like REI, membership can be extended to anyone who buys its goods and services," Hoover said. Worker-owned cooperative membership is determined by working at the business.

Co-op members say the work isn't bad.

"I like the variety of working at a co-op," said Darren Korn, who has been a worker-owner at the Oakland Arizmendi location for seven years.

Five days a week, Korn rounds dough, spins pizza into pizza shells and builds and bakes pizzas.

"While I'm doing that, I'm discussing policy issues with the other members," he said.

"You get to know your co-workers very well. It becomes like family, which is good, but if you're not careful, it can become a dysfunctional family," said Korn, who is starting a family of his own, with a baby due this spring.

His co-op has 23 workers and generated \$2 million in revenue this year, Korn said. (The bakery has three locations — the two others are in Emeryville and San Francisco — and each operates independently.)

Worker-owners don't have to worry about what management is thinking, since they are management. But this has its drawbacks, too, Korn said.

"You can't just say, 'Screw it, I'll let the boss take care of it,'" he said. "You are the boss."

Wages can be another concern.

Steve Manning, a worker-owner at the Cheese Board, took home around \$38,000 last year — though he also pocketed a \$12,000 bonus because the business made a profit. With worker cooperatives, profits are shared among the employees and also put back into the business.

Still, Manning and Korn said worker-owned cooperatives are good places to work. At Arizmendi, employee turnover is very low — an anomaly in the food industry, Korn said.

Indeed, the 30-year-old Rainbow Grocery, which now boasts 250 workers and \$40 million yearly revenue, has employees with 10, 15 and even 25 years' tenure.

Arizmendi is also an example of how the co-op sector has been picking up steam in the Bay Area over the last few years.

"Two Bay Area organizations are primarily responsible for the growth in new co-ops. One is the Association of Arizmendi Cooperatives," said Dave Karoly, a staffer at the Network of Bay Area Worker Cooperatives, or NOBAWC, pronounced "no boss."

The association formed the first Arizmendi Bakery nine years ago. Members of the 40-year-old, phenomenally successful Cheese Board Collective — one of the country's best-known worker-owned co-ops — helped organize the bakery cooperative.

The Cheese Board lent its recipe — literally and figuratively — to Arizmendi, sharing culinary and business secrets, said Steve Manning, a worker-owner at the Cheese Board. The association plans to open a fourth Arizmendi Bakery in the next year or two and is scoping out locations now.

The other association responsible for establishing a number of new worker-owned co-ops in the Bay Area is Women's Action to Gain Economic Security, or WAGES, which opened three co-ops between 1999 and 2003 in Redwood City, Morgan Hill and Oakland, and plans to open another one in the next year. The association works with low-income Latina women to establish worker-owned housecleaning businesses using environmentally friendly products.

Other worker cooperatives are forming independently.

Inkworks Press, a 32-year-old worker-owned union print shop that is also an Alameda County certified green business, spawned an offshoot called Design Action Collective about three years ago.

Manning, who was laid off from a corporate job in 2001, said cooperatives are becoming attractive to a growing segment of workers.

"The standard corporate model is no longer providing pension plans and other forms of security," he said. "People are realizing they have to take more responsibility themselves, and one of the ways they can do that is by becoming an owner-worker and having a vote."

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