



Who Calls the USFWC Office?

The USFWC receives lots of inquiries and requests for assistance. We thought it might be interesting to share some of these calls, so you can get a sense of what's brewing out there. Here's a sampling from the past few months:

* A developer starting a large industrial worker-owned laundry in Cleveland, seeking referrals to accounting professionals. USFWC called back with national list of providers.

* The first walk-in to our new Market St. office! A group starting a cooperatively-run café in the San Francisco LGBTQ center. USFWC referred to other local cafes and made appointment for followup support.

* Partnerships with People from New Jersey called to ask about membership in the USFWC. They got a state grant to develop ownership opportunities for people with disabilities (stipulating a preference for cooperative businesses). USFWC spoke at length with them, and they joined the US Federation!

* Experienced organizers in Austin, TX with a background in workers centers want to organize a center that supports the development of green worker cooperatives in Austin. USFWC has helped the group concentrate its focus, may offer future support and trainings.

* Staffer with the Mile High United Way called to discuss the possibilities for using asset-building instruments like government- matched IDA

(continued on page 6)

Madison, Wisconsin: Worker Co-ops on the Move

By John McNamara, Union Cab

The worker cooperative movement has begun to coalesce in Madison, Wisconsin.

Over the last two years, representatives from Union Cab of Madison, Isthmus Engineering, and Just Coffee have been working to build a local network. Ultimately, organizers see the Madison Area Worker Cooperatives (MAWC, pronounced 'Moss') as a means of sharing educational programs, cooperative training, and even developing a means to meet common expenses such as health care. While in progress for a couple of years, MAWC hopes to hold its formative meeting on June 21, 2009. This will be one day after the US Federation of Worker Cooperatives' (USFWC) annual meeting on June 20th, also to be held in Madison, WI.

Early Efforts

The beginning of this networking effort began at the Conference of Democratic Workplaces and USFWC meeting held in New York City in 2006. Union Cab and Isthmus Engineering each sent a sizable delegation of 4-6 members. During the conferences, personal exchanges, and meeting time, Union Cab members returned with a new sense of the national movement. The board members present returned with an understanding that worker cooperatives have more in common than they have differences and that coops need to work together to strengthen the entire movement. This led to a



A mighty line of Union Cabs at a recent event in Madison (Photo: Union Cab)

new charter for the cooperative's education committee. "Part of the Education Committee's charter when I joined was to participate in the worker cooperative movement at large," said Kristin Forde, a Union Cab driver and head of its Outreach Subcommittee. "This was something that a handful of members discussed with interest, but there was very little organized activity." The Education Committee reached out and began meeting with Isthmus Engineering and Just Coffee. At about the same time, an organizer in the Madison area was trying to unite all cooperatives into a local organization. Union decided to combine forces to create a "big tent" cooperative organization. By summer, talk slowly turned into action. Forde reported that "in June of 2007, the Education committee held our first event, a social gathering for Madison area cooperative members. Turnout

was great and this launched our organizing effort." From this point, the group of coop organizers has attempted semi-regular events. At one point, almost 40 people attended a coop movie night held at Isthmus Engineering in the middle of an especially harsh Madison winter. By May of 2008, an organizational meeting was held. It was lightly attended. Shortly thereafter, strategic differences caused the different cooperative sectors to go their separate ways. It was an important learning experience. The assumption of the organizers was that housing coop members and worker coop members had more in common than other coop sectors (and the USFWC does have a relationship with NASCO, the student housing cooperative network); however, differences between the needs of the coops changed the value of the organization. While the housing coops needed group

MEMBER NEWS & UPDATES FROM THE EXECUTIVE DIRECTOR

Happy spring....growth is in the air! I am thrilled to announce that the US Federation/Democracy at Work Institute is the recipient of two grants to develop its Worker Co-op Peer Technical Assistance Network. We have been awarded \$8500 from **Equal Exchange's Fair Trade Promotion** program and \$4000 from the **The Cooperative Foundation**.

The funds will be used to convene working groups to set up the basic structures of the network, and to conduct some initial trainings. The working group kicks off in June, a pilot project starts this fall, and we aim to debut the full Network in early 2010.

The Peer Technical Assistance Network will increase the specialized technical assistance re-

sources available to worker cooperatives and co-op developers (things like help with democratic governance and processes, democratic strategic planning, and finances for cooperatives). And it will do this by helping train current cooperative workers to share their valuable knowledge and experience.

We're growing from within, sending up new stalks, nurturing them from our rich soil. (Enough metaphors for you??) For more on this growth, see the website at www.usworker.coop/peerta. And be sure to check out the abundance of inspiring projects, opinions and events in this issue.

Melissa

CICOPA-Americas Dissolves

As of February 2009, the CICOPA-Americas regional group has ceased to exist. CICOPA is the international worker cooperative federation (the worker co-op branch of the International Cooperative Alliance). It is organized into regional groups around the world. According to CICOPA staffer Bruno Roelants, for several years CICOPA-Americas has existed only as a loose network, and any concrete linkage was actually coordinated through the world office in Europe. Bruno writes, "we have to recognize that CICOPA-Americas has totally ceased to exist as a function-

ing CICOPA region." He continues, "the CICOPA secretariat can no longer help the South and the North Americans communicate with each other within their region and provide logistical, linguistic and secretariat type of support."

CICOPA members in South America do meet regularly and have an interest in maintaining their regional group. Reporting back from a seminar in Sao Paulo in January 2009, Bruno writes, "Without restricting explicitly their network to South America, the South American members of CICOPA who were present at that seminar decided to establish a working group in order to study how to systemise the net-

work relation among them, and put forward an articulated proposal within 6 months at their next meeting. Logically, this will be in Spanish/Portuguese and is likely to be centered around Mercosur."

In light of this restructuring, the Canadian Worker Cooperative Federation and the USFWC discussed our response. April Bourgeois of Canada, the CICOPA-Americas representative from the North, advised that we should acknowledge two realities: (1) the South American CICOPA grouping has not been able to put resources into communicating with the North, and (2) North and Central America are not yet organized as such. She suggested that we form a North American region, which would then initiate formal contacts with Central and South American CICOPA members and groups. As USFWC has never had meaningful connection to CICOPA-Americas, The Board decided to follow the lead of the more experienced Canadians, and both CWCF and USFWC officially acknowledged that the CICOPA-Americas region does not formally exist.

CWCF and USFWC remain committed to fostering worker cooperative connections across the Americas. The task now before us is to decide how to (re)constitute a regional grouping and initiate intercontinental relationships. Bruno writes that "CICOPA (world) would.... have a duty to help in any contacts you would have to establish or reinforce in South America, like if the request was between North America and Europe...for example." Canada's April Bourgeois concludes, "I think this change [de-linking North/South] means we would be much more likely to have more meaningful connections." We hope to make these more meaningful connections, and welcome member participation in creating a CICOPA-North America region.

USFWC NEWS

Editor: Melissa Hoover

Contributing Writers: John McNamara, Troy Pieper, Steven Yarak, Audra Jung, Ben Tsai, Bernard Marszalek

Photos: Equal Exchange, Union Cab, Just Coffee, WAGES

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GOVERNMENT AFFAIRS AND LEGAL UPDATES

Federal/National Activity

NCBA has started a campaign to clarify that co-ops are eligible for SBA programs and to get the Small Business Administration to update their regulations to permit cooperatives to obtain SBA loans.

The issue: "While the Small Business Act is silent on the issue, cooperative businesses get denied access to SBA lending programs under somewhat contradictory and outdated regulations that include "cooperative" as an eligible form of business but exclude certain types of cooperatives. Lending institutions broadly interpret these regulations to deny most types of cooperatives access to SBA loans.

The regulations generally provide that "for profit" entities are eligible for the programs while "non-profits" are not. Many co-ops operate on an "at cost basis" and are often referred to as operating on a "not for profit basis," but they have earnings that get passed along to members who are taxed at their tax rate. Or, if a co-op retains earnings not specifically allocated to members or are derived from nonmember income, the co-op generally gets taxed on those amounts. Despite the fact that cooperatives are not all tax-exempt, the language of the regulations has caused confusion, typically resulting in a broad denial of loans (except disaster loans) to cooperative businesses."

The code: Code of Federal Regulations, title 13, section 121 addresses lending to cooperatives

How you can help: If you have been denied an SBA loan or told not to apply, we can use your story as an example! Please contact USFWC or Mary Griffin at NCBA to share your experience.

State/Local, The Courts: No updates at this time.

Please send your updates and questions to info@usworker.coop.



All smiles! (Photo: Equal Exchange)

EQUAL EXCHANGE CAFÉ

EE writes: "Equal Exchange is excited to announce the opening of the Equal Exchange Café in Boston! Located at 226 Causeway St., the café shares the building with many businesses and organizations, including our longtime ally Oxfam America.

Cafés are one of a number of ways we hope to engage consumers more directly in the years ahead. Through the café, we are able to showcase the fruits of the enormous effort our farmer partners invest in growing the highest quality coffee, tea and chocolate. We hope from time to time to have special presentations from farmers as well as "cuppings" led by our roasting and quality control staff.

To supplement our directly sourced products and milk from local family dairy farmers, we will be supporting local independent businesses to provide fresh pastries and healthy light lunch offerings.

If you're in the Boston area, stop by for an organic Fair Trade latte!

Equal Exchange Cafe:
226 Causeway St, Boston
Monday-Friday: 7am - 7pm
Saturday & Sunday: 9am - 3pm
Phone: 617.372.8777

AT HOME IN UTOPIA

Announcing the public television debut of a film we showed at the

2008 NOLA conference:

"In the 1920's, believing they could create a radical new American dream committed to equality, justice and beauty, a group of Jewish garment workers left behind the tenements to build co-operative apartment complexes in the green, spacious borough of the Bronx. Then the Great Depression challenged everything.

A film by Michal Goldman with Ellen Brodsky, narrated by Linda Lavin, *At Home in Utopia* focuses on the United Workers Cooperative Colony – aka "the Coops" – the most grass-roots and member-driven of the labor housing cooperatives, where many of the residents were Communists or sympathetic to the communist movement. They became part of a mass movement that was strong enough to get twenty-four states to enact emergency legislation against mortgage foreclosures. In a time of economic ruin, they saw an opportunity to change America into a place they would want to call home.

AT HOME IN UTOPIA will air nationally on the PBS series *Independent Lens* on Tuesday, April 28, 2009 at 10PM (check local listings.)

TECH CO-OP HOW-TO

Announcing a new resource! Brent Emerson of Electric Em-

bers writes: "After the last USFWC conference, I had some interesting chance conversations with people at the Freelancers Union about how their members (especially freelance tech workers) could benefit from organizing themselves into small worker co-ops. Some of my colleagues at other tech co-ops were as intrigued as I, and together we created this little guide, *A Technology Freelancer's Guide to Starting a Worker Cooperative*:

<http://electricembers.net/pubs/TechCoopHOWTO.pdf>

HOME GREEN HOME!

Josue Revolorio of newly-joined USFWC Cooperative Developer member WAGES writes: "I am thrilled to announce the opening of WAGES' San Francisco cooperative! As you may know, we've been looking forward to this moment for a long time. I'm writing to shamelessly encourage you to spread the word to all your friends who live (or work in small offices) in San Francisco.

Home Green Home, the fourth in WAGES' network of Bay Area eco-friendly cleaning cooperatives, started serving clients on Monday, February 16th. Have you or a friend been waiting to try a cleaning service you could feel good about? Do you have a need for cleaning help, or know someone who does? If so, please help help get the word



Founding members of Home Green Home Natural Cleaning, the newly opened San Francisco co-op in partnership with WAGES and Seventh Generation, pose proudly for their first group photo as business owners. (Photo: WAGES)

out about Home Green Home. WAGES' mission is to build worker-owned green businesses that create healthy, dignified jobs for low-income women...I hope you will share my excitement about WAGES' expansion to San Francisco and the amazing commitment and drive of these women."

Home Green Home
1500 South Van Ness, Ste. 201
San Francisco, CA 94110
Tel. 415-285-5525
info@homegreenhomesf.com
www.homegreenhomesf.com

COOPERATIVE FUND OF NEW ENGLAND and CCF

Erbin Crowell of CFNE writes: "The Cooperative Fund of New England (CFNE) has had another successful year supporting co-operative development in the Northeast.

CFNE, a non-profit loan fund and socially-responsible investment option, made 32 loans to co-ops and community organizations in 2008, totaling over \$2 million — more than in any other year since the Fund's founding in 1975. At the same time, investment in the fund grew 15%, reflecting interest in successful alternative models for community development. Over thirty-four years, CFNE's borrowers have had a loan repayment rate of more than 98% and no investor has lost money.

Meanwhile, CFNE's sister fund, the Cooperative Capital Fund (CCF), is accepting investments that will further support co-ops through the provision of "patient capital" — equity-like resources that will help start-ups or expansions."

For more information on how you can obtain a loan or support the work of CFNE/CCF, please call 800-818-7822 or visit www.coopfund.coop.

Send news, debuts, reviews, & how-tos to info@usworker.coop.

'We Solve It': Seward Childcare Center Nurtures Young Cooperators

by Audra Jung, *Collective Member*

This spring Seward Childcare Center in South Minneapolis is celebrating 35 years of quality cooperative early childhood education and care for children ages 16-months through 6 years. The school began as a parent's childcare cooperative and slowly evolved into a center with its own building and paid professional staff while continuing its tradition as a parent cooperative. In 2004 Seward Childcare Center became a democratic workplace when teachers formed a teacher collective rather than replacing an unoccupied director's position. All nine teachers at the center are teacher/administrators taking on individual areas of management and rotating office duties in addition to their classroom responsibilities. Teachers meet together three times each month to make decisions, using consensus process regarding day-to-day administrative operations as well as curriculum development and planning. Legally organized as a non-profit organization, twelve parents and two teacher make up a board of directors who also use consensus decision-making. All parent members are required to complete work hours at the school and all parents and teachers are part of the general membership and have voting rights at biannual general membership meetings.

Seward Childcare Center is more than just a democratic workplace, our school's democratic structure pervades our entire educational philosophy and approach to early childhood education. A spirit of active citizenship and direct democracy are core education principals of SCCC. This means all children participate daily in skill building related to conflict resolution, problem solving and civic engagement. We believe that it is nearly impossible to teach children democracy without modeling a democratic structure

within the school. Our students are aware of the ways in which the adults around them put democracy into action. As a staff and general membership we solve problems the way we teach our students to, by listening to each other's unique perspectives and choosing a creative solution together. Here is a conversation that happened in our older preschool room demonstrating how the children learn from the structure of our center:

Jack: *Why doesn't this school have a mayor?*

Teacher: *You mean a principal?*

Jack: *Yeah.*

Teacher: *Who do you think runs this school?*

Guy: *The teachers.*

Teacher: *Why do other schools have a principal?*

Guy: *In case someone's being mean.*

Jack: *They talk to him for a whole year.*

Teacher: *What happens if someone's mean to you here?*

Guy: *We solve it.*

The cycle of ideas, experimentation and review is a vital part of learning as described by educational theorist Piaget and others. This works for children as well as adults. Children learn about math by playing with sorting toy dinosaurs by color or making block buildings. They learn about color theory by mixing paint, color after color. And they learn about democracy by participating in a democratic community. The children see themselves as agents of change, as problem solvers and they view teachers in the same role. Each level at the school works democratically to meet the needs of the entire community.

After sending two staff members to the Democracy at Work Conference in New Orleans, Seward Childcare Center is pursuing membership with the USFWC as well as exploring ways to better serve and support our local community of democratic workplaces including offering priority on our long wait-list to families with at least one member employed at a worker cooperative or other democratic workplace. More information about Seward Childcare Center can be found at www.sewardchildcare.org.



What's new at

The Hub Bike Co-op

by Benjamin Tsai,
Hub worker-owner

2008 was another great year for the The Hub. Two new worker-owners joined us, and for a time, we had the only majority women-owned bicycle shop in the Twin Cities.

Sales growth was strong throughout the year, thanks to bike culture continuing to flourish. Cooperative culture is still strong in Minneapolis, as well, as evidenced in part by a survey revealing that a large percentage of our customers valued that we were co-op.

In April of 2008 we started our "People and the Planet Fund," The Hub's promise to pledge 5% of annual profits to community and environmental projects. The fund donated to dozens of non-profit organizations and provided free cycling seminars on a variety of topics throughout the year.

This year has brought several changes already. We have added even more owners, and changed our articles and by-laws, taking after the Mondragon Cooperative's policy of putting 50% of annual profits back into the co-op and dividing the remainder among owners. The goal is to stabilize the co-op and maintain its sustainability in the long run. Among other things, such planning makes us expect another good season in spite of the general woes of the economy.



Hard at work - together - at Seward Childcare Center

(Photo: SCC)

Madison Co-ops

continued from page 1

buying for common goods such as groceries, worker cooperatives were more interested in healthcare (most housing members have health care through their employer). Ultimately, the organizers decided to go their separate way and discuss reconvening in the future. In fact, the housing cooperatives may provide housing to some extent during the US Federation meeting in June.

Restarting the Movement

Attendance at the NOLA conference last summer was more limited, however, the Union Cab delegation and the Isthmus delegation reaffirmed their commitment to the creation of a local network. In fact, both members of the Union Cab delegation were elected to the Union Cab board of directors in the annual elections in September. In the fall of 2008, worker cooperatives began regular monthly meetings at a downtown tavern. At these meetings, the basic vision and mission of the nascent organization was determined. The vision of the Madison Area Worker Cooperative Network "is to build a thriving, sustainable democratic economy in the Madison Area." The mission of MAWC will be "to sustain existing Democratic Workplaces, create new democratic workplaces, and educate the Madison community on Democratic Workplaces."

Where MAWC is Today

At this point, the issue of membership (definition of a democratic workplace, individual memberships, etc) is still being discussed. Likewise, the group is also working on the by-laws. The organization expects to have its first annual meeting on June 21st. Forde notes, "It is my hope that our efforts will promote the growth of cooperative systems everywhere, including those that

JUST COFFEE POLITICS IN PRACTICE

We believe in working for peace and against war. We feel like violence and aggression are wrong and only recreate conflict.

We believe in freedom, autonomy, and cooperation. People are at their best when they are able to work things out for themselves. We are purposely non-hierarchical in our organizational structure.

We believe that market interaction can only work when it is based on mutual respect and conducted between equals. Our customers and our suppliers are our partners and we do not seek to exploit you all for the gain of our business.

We believe that non-violent social change needs to happen if we are going to get back on the collective right path as a species.

We believe in using our business to support like-minded groups in their work to achieve non-violent social change in any way we can.

We also believe in roasting and drinking some fine flippin coffee.

serve youth." This meeting will confirm the by-laws of the organization, decide on incorporation issues, and create the governance structure moving forward. It has been an interesting road from the 2005 conference. MAWC has made great strides and learned a lot about connecting worker cooperatives. It looks forward to being a regional force in the worker cooperative movement as well as working with the more senior networks such as NOBAWC, FWD-MN, the CWFC and the USFWC to create a strong and vibrant worker cooperative movement in the United States and Canada.



(Photo: Just Coffee)

Just Coffee: Madison's Newest Roaster

Madison has a great tradition of coffee roasting. Victor Allen's and Steep 'n' Brew dominated the coffee industry in Madison for most of the 80's and 90's with their cafés and marketing to local supermarkets. Madison never reached Seattle's fame, but still is home to four individual roasters (five if you count Equal Exchange) today. The fair trade movement started in large part by USFWC founder Equal Exchange forced the local roasters to eventually offer a fair trade alternative. While EE has always had a presence in Madison with their single member-owner, a new worker coop roaster started up several years ago and has become a staple of Madison culture.

Just Coffee is a worker cooperative fair-trade coffee roaster. They set up shop in Madison's "Coop Alley," along Williamson Street (home to a credit union, a consumer coop, a housing coop, a couple-three other worker coops and an Ace Hardware within about 4 blocks). The coffee cooperative is a member of the USFWC and the shop also has representation through the Industrial Workers of the World (IWW). The workers wear their beliefs on their sleeves and their web site (see box).

Just Coffee has several blends and even creates special labels for local causes such as the Madison Peace Network and others. To learn more about Just Coffee, visit them online at <http://justcoffee.coop> or attend the 2009 USFWC meeting where you can meet them in person!

- John McNamara

HELLO, NEIGHBOR! USFWC Members in the Midwest

- NASCO(IL)
- Friends of the Third World Cooperative Trading (IN)
- Builders Commonwealth (MN)
- NCDF (MN)
- Interfaith Business Builders (OH)
- Cooperative Care of WI (WI)
- Isthmus Engineering(WI)
- Just Coffee (WI)
- Union Cab Cooperative (WI)

Out of Our Silos! by Steven Yarak, Black Star Co-op

As often happens when you assemble a group of American co-operators, a key part of the "Big Ideas" session at last year's Democracy at Work conference in New Orleans focused on the successes of our brethren in Spain and Italy compared to our marginal state here in the US. One participant asked the question directly, "What is it that makes the European co-operative movement so much more successful?" Among the many answers to this question -- and several were discussed -- the one that struck me as the most insightful came from Tom Webb, who manages the Masters of Management in Co-operatives and Credit Unions program at St. Mary's University.

As Tom put it, American co-operatives (and to a lesser extent our northern neighbors) are "off in our silos." We don't often see ourselves as part of a larger whole, and that makes it is very difficult to build a unified movement across the co-operative economy. In contrast, the European movement is much more inclusive of differing co-operative structures and industries. NCBA is our only cross-sectoral organization, and while it serves a very important purpose in Washington, to most American co-operatives it is far less important than sectoral organizations like NRECA, CUNA, NCGA, NASCO, or our own USFWC.

On first inspection, this fragmentation of the co-operative sector appears to make sense. After all, how much do students in a group equity housing co-op in Michigan have in common with cotton farmers in Texas or bakers in California? Throw in second-tier entities like purchasing co-ops or corporate credit unions whose members are institutions and the gulf between us appears even wider.

But when you take a step back and consider the chasm between any co-operative and the world of investor-owned businesses, the issues which separate us internally become downright minuscule. The simple fact is that our foundation as co-operatives provides the link which binds us together. Although we operate in different

industries, have different legal structures, and even different definitions of membership, we have far more in common than we may think. If we are to build a dynamic and broadly-based co-operative economy in our country, we must recognize that our futures are inextricably tied to one another.

So, as worker co-ops and worker-owners, what can we do to draw ourselves and our fellow co-operators out of our silos? As it turns out, our status as one of the smaller facets of the American co-operative movement gives us an advantage. Our businesses are certainly more nimble

Find a credit union:
http://creditunion.coop/cu_locator/quickfind.php
Credit Union National Association (CUNA)
<http://www.cuna.org/>
National Co-operative Grocers Association (NCGA)
<http://www.ncga.coop/>
North American Students of Co-operation (NASCO)
<http://www.nasco.coop>
National Rural Electric Co-operative Association (NRECA)
<http://www.nreca.org/>

than the tightly regulated titans of the credit union world, and although we lack the financial resources of an REI or Ocean Spray, our human resources, our people, are far more active and participatory.

BANK WITH A CREDIT UNION

At the co-op level, the best place to start is the essentials of business. We all need basic banking services, and many credit unions now offer business accounts. They're generally new to the business banking world (investor owned banks successfully lobbied for many years to restrict credit unions to personal financial products), so their offerings may not be as slick as a Wells Fargo or JP Morgan Chase, but you'll enjoy a little bit more peace of mind that your co-op's money isn't being paid out in dividends to line the pockets of Wall Street investors or squandered on "toxic assets" that send the management running for government bailouts.

Oh, and you'll probably pay lower fees and receive a slightly higher rate of return!

DO BUSINESS WITH OTHER CO-OPS

On the other end of equation, think about what your co-op has to offer. Can you find co-op to co-op business opportunities by marketing your products and services to other co-ops? Maybe there's a food co-op in your area that publishes a newsletter. Who designs it? Prints it? Distributes it? What about their website? These might present opportunities for an enterprising worker co-op. Or, perhaps there's a large agricultural marketing co-op which has a warehouse just outside of town. Chances are they could use some help with their IT needs, or maybe they need someone to cater their annual meeting. Wouldn't it be great if worker co-ops were helping meet these needs?

SHARE MARKETING

Once you've established relationships with other co-ops in your area, try making joint appearances at public events. Share a co-op booth at the local farmers market, co-sponsor a float in a parade, or just invite one another to give a presentation at your respective meetings. Eventually you may find opportunities for mutual investment, but that's a topic for another time.

As an individual worker-owner you can make many similar efforts. You may not be able to choose to get your power from an electric co-op, but you can move your personal banking to a credit union and join your local food co-op. But don't be a passive member; get involved! Go to their meetings, run for their Boards of Directors, and talk about your worker co-op and co-operation whenever you get the chance.

As co-operators in the United States we know that our sector of the economy is small. However, that's no reason to get depressed or pine over the co-operative networks of Europe. It just means there's nowhere to go but up, and we've got our work cut out for us. The first step is pulling ourselves out of our silos.

Who calls the US Federation office? *continued from p. 1*

accounts to invest in worker-owned businesses, cooperative-housing, and other large-scale shared ownership strategies. USFWC gave a little background on the worker cooperative landscape, expressed support, will stay in touch as project develops.
 * Consultant hired by a day work-

ers center in Mtn View that's setting up landscaping coop wants to know about other groups doing this, needs help setting up bylaws and governance. Sent an email with resources and referrals.
 * Group in Sonoma interested in starting coop café. USFWC

spoke for a few minutes, encouraged the group to put together a clearer plan before moving forward.
 * Member of a group in Northern New Jersey developing a free school and has hopes for an ecovillage called to ask about what kinds of basic training in co-operatives USFWC could pro-

vide. Followed up with a list of possible topics and referrals.
 * Retired entrepreneur in Seattle, Washington contacted us for support for his cooperative business incubator idea: www.ourideafactory.com. We'll look over the proposal.

REVIEW: “Not Just for Profit,” Marjorie Kelly, in *strategy+business*, spring 2009 by Bernard Marszalek

I first came across Marjorie Kelly through her book *The Divine Right of Capital*, where she argues against the view that corporate dominance is eternal. In that book she focuses on corporate charters. All corporations have charters, but due to the total abrogation of states to revise corporate charters so they serve “public interests” (the original intent of the charter system going back to the time of royalty), corporations assumed economic power without political challenge. Further, biased court decisions that have given the corporation rights as a “person” have stifled judicial recourse.

For years Marjorie Kelly edited the journal *Business Ethics* and currently she is associated with the non-profit Corporation 20/20 with the mission “to develop and disseminate corporate designs where social purpose moves from the periphery.” Or in other words, Ms. Kelly is exploring ways in which corporations can move beyond the dubious effort to develop “socially responsible practices” to a situation where the very structure of a new style corporation addresses social concerns.

In a recent paper, “Not Just For Profit: Emerging alternatives to the shareholder-centric model could help companies avoid ethical mishaps and contribute more to the world at large,” in *strategy + business* magazine, Kelly explores three new-style corporate designs: (1) stakeholder-owned companies; (2) mission-controlled companies; and (3) public-private hybrids.

In this short review I want to focus on the first “design” – the stakeholder-owned companies. Kelly defines these companies as “those which put ownership in the hands of nonfinancial stakeholders.” She then goes on to discuss “the cooperative model of ownership” as companies “owned and controlled by the members they serve.” And in the course of her explanation of this form of “corporate” governance mentions several successful cooperative enterprises. On the whole the discussion of cooperative managerial structure and its positive benefits is fair and reasonable, and a good introduction of the topic for her corporate audience.

Nonetheless, I think Kelly’s modeling, while seemingly concise and clear, conflates very different “models” into something like a two dimensional plane. Let’s start with how she describes the origins of the cooperative model. The cooperative model of ownership, which dates to the mid-19th Century, was conceived as an alternative to the shareholder-based ownership model that developed at roughly the same time.

This description pretty much follows the popular version of cooperative history: the scene in this movie opens on the quaint red brick three storey shop in Rochdale, in northern England. Happy members of this first cooperative buying club are seen purchasing their grains, oils and a few other household items, as if they were 19th Century precursors of the 60’s hippies cavorting in their funky natural foods stores.

The real story doesn’t resemble this bucolic scene. The store in Rochdale, which was in the mid-19th Century a bustling industrial town, wasn’t simply the result of a good idea whose time had arrived – it was an act of class self-defense. The workers of Rochdale organized their store to overcome rip-off prices and adulterated food. Their fight would resonate today with folks living in “underserved” urban and rural enclaves.

The Rochdale Pioneers (as the members of the cooperative store were known) in developing their project were following a practice of cooperative economic self-organizing that extended back centuries, and is well documented from the 18th Century. John Curl’s soon to be published history of worker cooperatives in the US narrates this history. He shows, decades before the Rochdale store opened, how skilled “mechanics” thrown out of work due to economic downturns, created enterprises that

they ran themselves so that they could survive.

The significance of the history of struggle finds no place in Kelly’s tripartite modeling. It’s simply overlooked, I presume, as a historical detail not relevant for the purpose of delineating corporate structures. The absence of this “detail” I find significant. Granted that Kelly’s interest here is to offer a brief summary of possibilities and not delve deeply into nuances. My point is that there’s a taxonomic error in her enterprise. If I were a horticulturist describing a family of *Salvias* I won’t include an *Orchid* simply because its flowers shared an identical color.

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Cooperatives developed to address economic needs by democratic means. They were founded as creative expressions of social solidarity. Cooperative retail outlets and the mutual and funeral societies (community controlled insurance agencies), though humble and pragmatic solutions of ordinary people – almost banal in their simplicity – can be viewed as totalistic responses to a hostile world. A world dominated by the savage prerogatives of the rich: a world that literally threatened their lives (child labor laws arrived mid-19th C.). Overcoming the hierarchy, the imposed scarcity and the rampant individualism that they faced meant drawing upon what would appear to be sparse resources. Appearances would be deceiving, for their “resources” provided rich possibilities of community-serving organization based on communalism and democratic spirit.

I question how the social and economic forms that they created to sustain their communities can be discussed in the context of corporate structures meant to mitigate the debilitating effects of the profit-driven economy. In the latter case, partial, “work-around” solutions to address real needs are proposed, while in the former, bottom up, democratic and “field-tested” practices and organizations are already functioning internationally.

On the other hand, we need to admit that the radical premise of “one person, one vote” often is a pro forma policy in the cooperative sector. As agricultural/producer and marketing co-ops grew, their foundational values hollowed out as they increasingly adopted the dominant corporate perspective. Democratic practices declined as they were limited to formal structures with actual day-to-day functioning delegated to a professional elite of managers. Given this situation it’s not surprising that Kelly collapses cooperatives into her modeling scheme.

Marjorie Kelly’s essay, let’s recall, is titled “Not Just for Profit” and if this has any meaning at all, then the practice, more than the model, of worker cooperatives and collectives, where the slogan “People Before Profit” originated, needs to be discussed with some insights. While this section is the smallest in the cooperative sector, it possesses the most far-reaching vision of a democratic society based on cooperative values and principles.

A truly democratic workplace, no matter whether it is a lab, a taxi co-op, shipbuilders or a home health-care co-op, develop in their daily practices a culture of mutual respect and self-reliance while contending with economic forces to insure their survival. These work places cultivate the very core of a democratic ethos. No other institutions in our society come close to mapping the terrain.

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2009 COOPERATIVE CALENDAR OF EVENTS

NCBA Annual Meeting and Cooperative Conference
Washington, DC
May 5-7, 2009

USFWC Member Meeting
Madison, WI
June 20, 2009

Assn of Cooperative Educators (ACE) Conference
Minneapolis, MN
July 28-31, 2009

Eastern Conference for Workplace Democracy
Pittsburgh, PA
July 31 - August 2, 2009

California Co-op Conference
San Francisco, CA
August 15-16, 2009

Western Worker Cooperative Conference
Breitenbush, OR
September 7-10, 2009

Canadian Worker Cooperative Conference and AGM
November 2009

CICOPA General Assembly
Geneva, Switzerland
November 18, 2009

ADMIT ONE:

USFWC MEMBER MEETING
June 20, 2009 - Madison, WI

Friday, June 19

12:30 -4:30 - Tour of Worker Cooperatives/Collectives: Community Pharmacy; WORT-FM; "Coop Alley" Willy Street: Nature's Bakery, Info Shop, Just Coffee, Willy Street Coop, Lakeside Press; Union Cab of Madison

5:30 - Gomeroke at High Noon Saloon

Saturday, June 20 - Isthmus Engineering

8:30-10 - Isthmus Engineering Tours, Coffee, Registration

10:00- 4:45 - Member Business Meeting

5:30 - Northside Croquet Collective party/other party

Sunday, June 21 - UW Madison

10am - Technical Assistance Network working group meeting

12:00 - MAWC (Madison Assn of Worker Coops) meeting

REGISTER ONLINE at www.usworker.coop/2009/meeting

You should come to Madison because...

(we used a lot of exclamation points to convince you)

- ⇒ We'll arrange housing, food and transport. You just have to get there.
- ⇒ Midwesterners, we're in your region!
- ⇒ Meet other worker cooperators! Play croquet with them! Uncover the exotic secrets of Gomeroke!
- ⇒ It's your Federation! Now's your chance to dig in deeply and get involved in USFWC business.



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