

Solidarity Economy Briefs: WORKER COOPERATIVES

The U.S. Solidarity Economy Network stands in solidarity with the Occupy Wall St. movement. As a network of groups, activists and solidarity economy practitioners, we seek to transform our economic system into one that *puts people and planet front and center*. *Another World* is not only possible, it already exists, in many, many forms. The solidarity economy, grounded in principles of solidarity, participatory democracy, sustainability, equity in all dimensions, and pluralism (not a one-size-fits-all model) is a fast growing global movement. We offer these Solidarity Economy briefs to provide a glimpse into some of the aspects of the solidarity economy that exist all around us. *This is what economic democracy looks like:*

WHAT IS A WORKER COOPERATIVE?

Worker cooperatives are businesses that are owned and controlled by their workers. The two central characteristics of worker cooperatives are: (1) workers invest in and own the business and (2) decision-making is democratic, generally adhering to the principle of one worker-one vote.

WORKER COOPERATIVES AND THE SOLIDARITY ECONOMY

Cooperatives are an essential part of a solidarity economy. Worker cooperatives in particular are a powerful model for how to build a real, practical working alternative to the current economic system. They are a living, breathing, thriving example of the solidarity economy in action. In a pretty bleak economic landscape, worker cooperatives offer a vision that makes sense, something to say “yes” to.

Worker cooperatives are a laboratory for democracy; they build the kind of democratic tools, personal empowerment, and economic structures we need to create an alternative to the current system. Some examples include:

Cooperative Home Care Associates

Cooperative Home Care Associates (CHCA), in the South Bronx of New York City, is a worker cooperative that provides jobs for 1600 low-income women of color, many of whom previously relied on public assistance. CHCA is the largest worker cooperative in the U.S., with more than 700 worker-owners, and another 900 employees who will soon be eligible to become worker-owners. Founded in 1985 to create decent jobs and provide needed services in an impoverished community, CHCA sets the standard for wages, benefits, training, and workplace democracy in its industry. The cooperative has led the way in NYC in incorporating training, leadership development, and advocacy for a sector that is well known for its high turnover, poor wages, working conditions and benefits. CHCA is at the forefront of policy advocacy, and modeling strategic and effective partnerships between a worker-owned company and its union.

Democratic Member Control

- The fundamental principle of democratic control (and its consequences: commitment to process and hearing all voices) is a solid model for building peoples’ power in social movements.
- Worker co-ops have developed many of the tools for productive dialogue and skill-building among members that are necessary for broad-based movements.
- Worker cooperatives can be places where people learn and deepen political analysis.

Pragmatism

- Coops are deeply practical – coops meet people’s materials needs, foster creative approaches to problem-solving, and a real, grounded approach to movement-building.

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- Worker coop organizing often starts with mutual aid. Recent movements toward creating national and regional federations, such as the U.S. Federation of Worker Cooperatives, NoBAWC (Network of Bay Area Cooperatives), VAWC (Valley Alliance of Worker Cooperatives), and the Eastern Conference for Workplace Democracy (ECWD), have been initiated by coops themselves with the dual goal of supporting each other, and reaching out to movements beyond the worker coop world, including the solidarity economy.

Growth and Stability

- Co-ops are developing solid methods of “growing small” – local, regional and industry-based federations are forming, and recent co-op development has operated along a decentralized, cellular model.
- A 2011 study of cooperatives in British Columbia found that 5 years after establishment, 64% of co-ops were still in business, compared to around 40% of conventional businesses.

SUCCESSSES

In the U.S., as in other countries, the number of worker cooperatives has been growing – some are new enterprises, while others are created by buying out or even *occupying* capitalist businesses. Between 1980 and 2004, the number doubled, albeit from a modest base of 150 to 300. Three factors that stimulate their growth include: 1) unemployment and poor economic conditions, 2) periods of rapid technological change that results in social dislocation and 3) periods of social upheaval in which the conventional economic structures and practices are called into question. These conditions are certainly strongly in play in the current economy and are likely to continue for quite some time. Cooperatives are gaining legitimacy as part of a strategy to address the problems of unemployment and poverty.

Evergreen Cooperatives

Cleveland’s Evergreen Cooperative initiative is an example of a new strategy of economic development that seeks to revitalize very poor inner-city neighborhoods through the development of a network of worker cooperatives that leverage the joint purchasing power of locally anchored institutions such as the hospitals and universities. Since 2010, Evergreen has launched a \$5.7 million, state of the art, green laundry; a solar photovoltaic company; a 5 acre, hydroponic greenhouse, and a community newspaper, all of which hire from the four target-area low-income communities. The long term goal is to develop scores of worker-owned businesses to build community wealth and assets. The Evergreen Cooperatives are all part of a business group that provides mutual financial, training, and technical support. Evergreen projects that each worker-owner will be able to build \$60,000 of assets in eight years thereby helping to strengthen and stabilize the local economy.

Further resources

- U.S. Federation of Worker Cooperatives website: <http://www.usworker.coop/front>
- Evergreen Cooperative website: <http://www.evergreencoop.com/>
- John Curl, *For All the People: Uncovering the hidden history of cooperation, cooperative movements, and communalism in America*. PM Press, 2009.
- “Research on the Economic Impact of Coops,” Lynn Pitman, in *Solidarity Economy: Building Alternatives for People and Planet*, Kawano, Emily, Thomas Masterson and Jonathan Teller-Elsberg, eds., Lulu Press, 2010
- Murray, Carol. “Co-op Survival Rates in British Columbia,” *BALTA*, June, 2011 http://www.bcca.coop/sites/bcca.coop/files/BALTA_A11_report_BC.pdf

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