

Pathways to Worker Cooperation

Cooperative Solutions 2014: Saturday, August 23rd

Facilitators: Grassroots Ecology (Chicago) & the Hub Bike Cooperative (Minneapolis)

Intros/Go-Arounds: Name, Worker Cooperative Experience, Current Development Work, 1-2 Hopes for Workshop

Participants: *See sign-in list! :)*

Session Interests:

- Learn about coops in the room
- Starting worker coops
- Learn the meaning of “cooperative”
- Transitioning into a cooperative
- Different ways to use the model
- How to teach coops
 - Direct democracy! So, using collaborative learning is key.
- Challenges with youth coops
- Low profit coops
- Non-profit/coop relationships
- Can coops receive grant money?
- Legal structure?

Participant Call-Out: “What is a worker cooperative?” Themes

After talking about this in pairs, we brought this back to the larger group to identify themes.

- Teamwork
- Members have a vote
- Be your own boss
- Universal knowledge sharing
- Sustainable wages?
- Role of non-profit in supporting cooperative start-ups
- Role of for-profit cooperative in supporting non-profit(s)

Facilitator: “Worker Coops Are...”

There is lots of knowledge in the room - together we defined a worker cooperative. Here are some longer defining statements and subsequent discussion:

- Business entities owned and controlled by their members, who work in them
 - No bosses, no disinterested parties
- Business entities that operate in accordance with cooperative principles and values
- Highly democratic organizations
 - Structure and processes are up to the workers; workers can create structures or delegation and authority (especially as you get to a certain size), but most small cooperatives early in development keep most decisions on a coop-wide level
 - Micro-management isn't efficient, so delegation and power sharing is important; clearly defined job descriptions allow worker autonomy within a consented-to framework
- Sometimes uber-flat structures are a political response to extreme hierarchy in profit-maximizing enterprises; the latter can outpace directly democratic enterprises

Facilitator: Cooperative Principles

ICA Stewarded, global

1. Voluntary & Open Membership
 - Open = transparent & clear processes
 - Depends on usage of cooperative (e.g. producer, worker, consumer)
 - Depends on purpose of cooperative (e.g. everyone is eligible, but there is criteria)
2. Democratic Member Control
3. Member Economic Participation
 - Common stock purchase is mandated for workers (voting)
 - Investment above and beyond this is different (non-voting)
4. Autonomy & Independence
5. Education, Training, & Information
6. Cooperation Among Cooperatives
7. Concern for Community

Presentation: Hub Bike Cooperative (Benjamin Tsai)

- One cooperative with four locations - retail (new and used), service (fee-based), education (courses), and advocacy
- Background is in environmental activism, drifted naturally bikes; was working with DIY non-profit bike shop in the TC and a subset decided to make a go at “making a living of it” and creating a business owned by the community
- Starting with consensus decision-making structure with 3 working members and 1 investor
- Self-financed the start-up with a few thousand dollars; this is a lesson to share to say “don’t let funding get in the way” or scare you; did work second and third jobs for the first nine months; 12 years later - earning a living!

Facilitator: What are challenges you faced in the start-up phase? What are other financing methods? What might you have done differently if you hadn’t self-financed?

- Financing is often a tough part, solved it via pure determination and community support; visiting and supporting the DIY shop from which we came for first few years was helpful
- In the US, it is harder cuz we don’t learn about consensus in our culture; working in the cooperative space then, there was a lot of stuff to go off of, so felt like you were working from scratch; hard to do the development work while actually running the business to make the development viable
 - Don’t forget about the development side! That is the foundation for working together - e.g. handbook, operations manual, etc. - because it ensures accountability and transparency in your democratic structure!
- Trying to survive in a really hostile and competitive environment is hard, but it is worth it; you won’t get rich off it, but you will make a living wage and have satisfying work
- Re: Financing - you can do the business plan to pursue financing path, but it is a hard road, too; lots of paperwork, uncertainty

Participant: Problems in the winter months?

- Heck yeah - with landscaping, you can shovel snow, but with us, we choose to cap our ownership at number of workers we can maintain year-round (~17), which means we have some seasonal staff (typically students); this is a reality of the industry in Minnesota
- Financial planning for cash flow is important to weather this, get a good financial manager/bookkeeper and accountant; having money makes money, if you know how to make it work; this person should teach all the owners how this stuff works

Presentation: Grassroots Ecology

- 2 years ago, started green business infrastructure; researched cooperatives as a way to support the non-profit work and young people aren’t going to work for free (especially when have so many other paying options and need money)
- Crowdfunded 1200usd to take a 12 week coop academy training with Center for Workplace Democracy: learned about financial statements, lots of inspiration looking at Equal Exchange

financial statements (Millions a year!), business plan, figured out the goods and services we could offer, some other things learned:

- Foundation of your cooperative is a good business idea
- Talking about why you're doing what you're doing, going over financial statements is really helpful (Cuz that stuff is scary! Things can get lost in translation, needing to refresh math skills)
- We sought out a viable business idea out of what we were passionate about and interested in doing... this passion and interest was the base of our business idea
- We did market research by knocking on doors in the neighborhood and asking about what folks do and are willing to pay for in landscaping; also interviewed about the neighborhood's issue with flooding - heard that community members had flooding basements, wanted something done about it, but didn't want to do it themselves.
- Sometimes the market doesn't necessarily support the idea you have, no matter how awesome or potentially effective
- Things we wanted to address: youth unemployment, climate change, including young people in democratic processes because we are most often left out of the equation

Participant Q&A

What about that cooperative academy?

- Other cooperative developers in the nation in rural areas are found via CooperationWorks! (cooperationworks.coop); these are mostly rural supporting though, due to conditions of funding streams; Urban cooperative developers and academies exist in NYC, Chicago, Berkeley/Oakland; DAWN (dawn.coop) peer advisers are awesome and worker-cooperative specific, but they are volunteers - so reaching out to them and others is awesome!