

Principles & Practices of Worker Co-operatives

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My Background

- ♦ 10+ Years with Equal Exchange
- ♦ National Co-operative Business Association
- ♦ Master in Management: Co-operatives & Credit Unions, St. Mary's University
- ♦ Co-operative Fund of New England / Co-operative Capital Fund
- ♦ Valley Alliance of Worker Co-ops

Outline

- ♦ Our Context
- ♦ A Little History
- ♦ Co-operative Principles
- ♦ Co-operative Promise
- ♦ International Examples
- ♦ Practices in the US
- ♦ Challenges & Keys to Success
- ♦ Resources

Our Context

- ♦ Crisis of Global Economic System
- ♦ Rising Unemployment & Instability
- ♦ Dramatic Shifts in Wealth
- ♦ Diminished Democracy
- ♦ Corporate Influence
- ♦ Instability & Change

Alternative Visions

- ♦ Desire for Economic Alternatives
- ♦ Social Entrepreneurship
- ♦ Demands for Greater Equity
- ♦ Community Democracy
- ♦ Grassroots Engagement
- ♦ Change as an Opportunity

Co-operative History

1800s: England's Industrial Revolution...

- ♦ Dislocation of local economies
- ♦ Dramatic shifts in structure of labor
- ♦ Concentration of wealth & power
- ♦ Poor working conditions
- ♦ Limited democracy
- ♦ Globalization

Three Visions of Economics...

...Emerging in 1800s:

- ♦ Capitalism
 - ♦ Profit motive — Free capital and entrepreneurial energy from community & state controls.
- ♦ State socialism
 - ♦ State intervention — Planned economy for benefit of citizens, but particularly of working people.
- ♦ Co-operativism
 - ♦ “Third way” — Participatory control of the economy through democratic ownership and governance of enterprise by those who use its products or services.

Early Co-operators



- ♦ Robert Owen (1771–1858)
 - ♦ "The lowest stage of humanity is experienced when the individual must labour for a small pittance of wages from others."
- ♦ William King (1786–1865)
 - ♦ "Knowledge and union are power. Power, directed by knowledge is happiness. Happiness is the end of creation."



Rochdale Equitable Pioneers



- ◆ Founded in 1844
- ◆ Group of Weavers, Unionists and other Community Activists
- ◆ Established a Member-Owned Grocery Store
- ◆ Basic Principles for Modern Movement

International Co-operative Alliance



- ♦ Founded in 1896
- ♦ Cross sector organization
- ♦ 800 million are members of co-ops worldwide
- ♦ 100 million jobs (20% more than multinationals)

www.ica.coop



Sectoral Expansion



- ♦ Worker co-ops
- ♦ Farm & fishery co-ops
- ♦ Food co-ops
- ♦ Housing co-ops
- ♦ Credit unions & co-op banks
- ♦ Health services co-ops
- ♦ Insurance co-ops
- ♦ Multistakeholder co-ops



The Co-operative Identity

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

International Co-operative Alliance, 1995 • www.ica.coop

Co-operative Principles

- ♦ Voluntary & Open Membership
- ♦ Democratic Member Control
- ♦ Member Economic Participation
- ♦ Autonomy & Independence
- ♦ Education, Training & Information
- ♦ Co-operation Among Co-operatives
- ♦ Concern for Community

Co-operative Values

- ♦ Self-Help
- ♦ Self-Responsibility
- ♦ Democracy
- ♦ Equality
- ♦ Equity
- ♦ Solidarity
- ♦ Honesty
- ♦ Openness
- ♦ Social Responsibility
- ♦ Caring for Others