# 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...

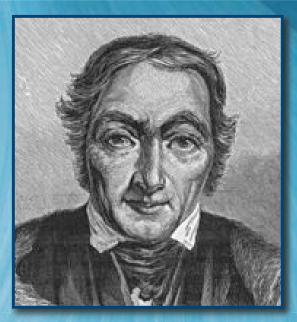
- Dislocation of local economies
- Dramatic shifts in structure of labor
- Concentration of wealth & power
- Poor working conditions
- Limited democracy
- Globalization

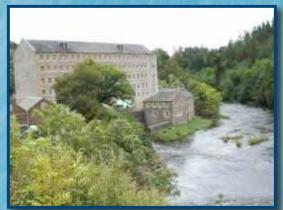
#### Three Visions of Economics...

#### ...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

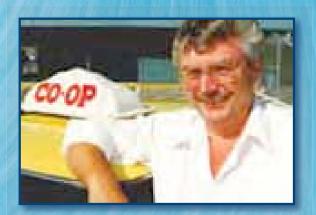
### Sectoral Expansion



- Worker co-ops
- Farm & fishery co-ops
- Food co-ops
- Housing co-ops
- Credit unions & co-op banks



- 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