

Cooperatives:

Alternative Business Models for a Resilient Economy

ESPM 198: 2 Units
UC Berkeley • Spring 2017



Course Description

Cooperatives: *Alternative Business Models for a Resilient Economy* will showcase the ability of cooperative business structures — whether they be consumer, worker, or residential — to offer solutions to important problems in contemporary society. The class will assert that cooperative principles of **diffuse ownership and democratic governance** are invaluable in **addressing environmental and social injustices that the institutions of unfettered individualistic capitalism have exacerbated** in pursuit of increased profit for managers and shareholders.

Berkeley, California just happens to be at the heart of the cooperative movement, **famous for some of the most successful cooperatives in history**, ranging from the 20th century *Consumers' Cooperative of Berkeley* — a cooperative grocery network that, at its peak, maintained a membership of over 100,000 — to the Berkeley Student Cooperative, which continues to house a substantial portion of campus undergraduates after 80 years. Given recent economic downturns, increasing income inequality, and Berkeley's important place in cooperative history, this class is uniquely positioned to provide students a firm grounding in what the past, present, and future of cooperatives can offer for the **environmentally sustainable, economically resilient, and socially just** communities of tomorrow.

Course Facilitator

Grace Lihn • glihn@berkeley.edu

Grace Lihn is in her fourth year at UC Berkeley studying Food Politics and Cooperative Enterprise. She serves as the Experiential Learning Fellow for the [Berkeley Food Institute](#) and the University of California Global Food Initiative, and is passionate about creating democratic, inclusive and cooperative learning spaces. She previously volunteered as the Communications Director of the [Berkeley Student Food Collective](#), where she led the Board and worked with other student leaders to create a more equitable and inclusive storefront and community space. Grace has also previously worked with the [Associated Students of the University of California](#) (ASUC), guided wanderlust freshmen in the [Global Environment Theme House](#), facilitated gardening classes for the [Student Organic Gardening Association](#), and trained as a middle school educator with [Breakthrough Collaborative - Oakland](#). She hopes to be a worker-owner in a cooperative cafe and bakery in the near future, as well as one day teach university-level courses on cooperatives.

Course Objectives

By the end of the course, students will:

- ❖ Have a strong understanding of the history of cooperatives using varying historico-political methodologies — historical materialism, environmental historiography, as well as more “normative” historical narratives will all make appearances as the class traces cooperative enterprise as far back as antiquity. To these ends, students will be introduced to the basic tenets of source criticism.
- ❖ Understand the fundamental operating structure of contemporary cooperatives (consumer, worker, and residential) and be able to draw strong connections between how the means and ends of a given enterprise are intricately linked with its organizational structure.
- ❖ Know something of the current state of the greater cooperative movement in relation to environmental and social justice organizing, with a particular focus on the contemporary cooperative movement in America.
- ❖ Comprehend the pitfalls and challenges of operating a cooperative and how best to avoid them with alternative organizational systems that address those issues.
- ❖ Practice developing business models and writing business plans for new cooperative enterprise solutions to market failures and contemporary social and environmental issues.

Readings

Readings are assigned on a weekly basis and are posted to the course page (is.gd/coopdecal). Course readings correlate with the topic of the upcoming week and prepare students to engage in dynamic group discussion and ask well informed questions of the guest speakers. Readings are of reasonable length and from a diverse mix of sources: peer reviewed research, book excerpts, short essays, and news articles among others. Students should complete the readings prior to class. Recommended readings are also available for further study upon request.

Attendance

As a weekly class with a limited number of times to convene, it's important that students come to class! In a distinctly hierarchical vein, the facilitators will mandate that any perceived absence from the course come with a notification to the facilitators at least 12 hours in advance. One unexcused absence is permissible given that, well, life happens. Any more than one unexcused absence will require a short meeting with the course facilitators to arrange for alternate venues of learning to make up for lost class time: community or on-campus events, additional reading, or other options relevant to cooperative study are all on the table.

Disabled Students

Students with physical, learning, or other disabilities are welcome in this course; we as facilitators hope that needs are communicated to us early in the semester so we can do our best to cooperate and accommodate in any way we can.

Grading

Course is graded on a P/NP basis for 2 units.

50% - Attendance/ in class participation

30% - Discussion write-ups (8 Total)

20% - Final Group Project

Course Outline

Part 1: Introduction

- Session 1- What is a cooperative anyway?

Part 2: Historical Context

- Session 2- Cooperative Histories, Part 1: Antiquity to Owen & the 19th Century
- Session 3- Cooperative Histories, Part 2: From WWI to Neo-Liberalism
- Session 4- Cooperative Histories, Part 3: Third Wave Cooperatives in the Era of Neo-Liberalism

Part 3: Co-ops of Today

- Session 5- In Our Backyard! Part 1: Worker Cooperatives of Berkeley
- Session 6- In Our Backyard! Part 2: Collective Cooperation & the Radical Commons
- Session 7- Housing Cooperatives: Berkeley Student Cooperative & Community Land Trusts

Part 4: Imagining Tomorrow

- Session 8- Project Brainstorming: Business Model Canvas
- Session 9- Envisioning a Better World: Co-ops & Community Resilience
- Session 10- The Co-op Youth Movement: What's In It For You?
- Session 11- Cooperatives at Scale: Mondragon and More
- Session 12- Final Project Presentations
- Session 13- Final Project Presentations



Part I: Introduction



Session 1, Week of January 23 — What is a Cooperative, anyway?

So, what is a cooperative, anyway? In this, our first official class meeting, we seek to answer that seemingly simple question from a variety of perspectives, including your own! We'll compare our classroom's basic notions of cooperation with cooperators throughout time and across the globe; in the process we'll take our first look at the stunning diversity of cooperatives, showing how this 'niche' business model is already mainstream throughout the global economy — and shows promise to become even more prominent. Furthermore, we'll delve into what resiliency means and how cooperatives can be used to achieve resiliency.

Homework

- Add your questions and comments to this syllabus

Assigned reading

- Excerpts from *“Democracy at Work: A cure for Capitalism”* by Richard Wolff, in class
Google Folder
- [Principles of Cooperatives](#)
- Excerpts from [cultivate.coop](#)

Optional reading

- Excerpts from *“The Cooperative Solution”* by E.G Nadeau



Part II: Historical Context



Session 2, Week of January 30 — Cooperative Histories, Pt. 1: From Robert Owen to the 20th Century

While cooperative business is beginning to become more prominent today, it has a long and storied history that explains both its absence from the mainstream and normative business' rise to power. By understanding both for whom cooperation emerged in the first place — and why many cooperative ventures have failed — we can better grasp the strengths and weaknesses of cooperative enterprise in context of today's market economy. In this class we'll use a collaborative timeline activity to follow cooperatives from ancient Babylon to the Rochdale Pioneers, drawing out themes we see as common to over 3,000 years of cooperation.

Assigned reading

- *Excerpts from "Humanizing the Economy: Cooperatives in the Age of Capital" by John Restakis*
- [Denmark: The Agricultural Cooperatives of Denmark](#)

Resources from class

- "[New Pioneers](#)," Rochdale Pioneers Museum and Co-operative Heritage Trust

Session 3, Week of February 6 — Cooperative Histories, Pt. 2: From World War I to Neo-Liberalism

Major 20th century socio-political movements have defined cultural concepts of reciprocity and self-reliance. We will examine how communism, fascism, and capitalism shaped this social discourse and analyze how cooperatives fit within these ideologies. An analysis of different co-operative examples in select periods will be followed by a [World Café](#) discussion on their similarities and differences with the struggles faced by communities today.

Guests (tentative)

- **Elsadig Elsheikh**, Global Justice Program Director, Haas Institute for a Fair and Inclusive Society, UC Berkeley.

Assigned reading

- *Excerpts from Chapter 9 of “For All the People” by John Curl*
- *Excerpts from “Humanizing the Economy” by John Restakis*
- *Excerpts from “Making Mondragon” by Whyte and Whyte*

Session 4, Week of February 13 — Cooperative Histories, Pt. 3: Third Wave Cooperatives in the Era of Neoliberalism

Major 20th century socio-political movements have defined cultural concepts of reciprocity and self-reliance. We will examine how communism, fascism, and capitalism shaped this social discourse and analyze how cooperatives fit within these paradigms. Then we will explore how neoliberalism and *laissez faire* capitalist set of ideas have shaped our current economic system and how co-operatives today are taking matters into their own hands and responding to the crisis induced by neoliberalism by creating alternative economic models that address issues of income inequality, power redistribution, and environmental degradation. We'll briefly delve into alternative economies to see how they are creating new avenues for business that fosters community resilience.

Guests (tentative)

- **YaVette Holts**, founder of the Bay Area Organization of Black Owned Businesses.

Assigned reading

- *Excerpts from Chapter 9 and 14 of “For All the People” By John Curl*
- [*“African American Cooperatives” by Jessica Gordon Nembhard*](#)
- [*“Rethinking Money” by Edible East Bay*](#)

Resources from class

- [*Power of the Market - The Pencil*](#)
- [*Supercapitalism*](#)
- [*Disaster Capitalism*](#)



Part III: Co-ops of Today



Session 5, Week of February 20 — In Our Backyard!, Pt. 1: **Worker Cooperatives of Berkeley**

The Bay Area, one of the epicenters of business model innovation, is abundant with thriving worker-owned cooperatives. During this class, we will host a panel discussion with worker-owners from a couple local worker cooperatives. We will gain firsthand experience about the organizational structure, need and challenges of the Cheeseboard Collective and Inkworks Press, as well as that of a budding community-funded co-op brewery, Umunhum Brewing.

Inkworks Press is a democratically-run worker collective print shop specializing in high quality, affordable printing for both the social justice movement and for a wider range of nonprofits and socially responsible businesses.

Cheese Board Collective is a combination of two worker-owned and operated businesses: a cheese shop/bakery commonly referred to as "The Cheese Board", and a pizzeria known as "Cheese Board Pizza".

Umunhum Brewing is California's first cooperative brewery, created in 2013 (first as the San Jose Cooperative Brewery and Pub) by and for fans of craft beer, ale, cider, and other tasty fermented beverages.

Assigned reading

- [*Democracy in the Workplace: All About Collectives*](#)
- [*A Co-op Story: People's Construction in Rockaway*](#)
- [*Worker Co-op 101 Presentation*](#)

Session 6, Week of February 27 — In Our Backyard!, Pt. 2:
Collective Cooperation & the Radical Commons
(Field trip to [Omni Commons](#) in Oakland!)

Cooperation can take a number of different forms. Sometimes it takes the form of 22,000 sq. ft. heavy metal venue in Oakland converted into a cooperative mecca. The [Omni Commons](#) on Shattuck Avenue is a mammoth, department-store sized reconceptualization of “commons” that is host to more than ten volunteer collective cooperatives. Using innovative revenue-generating and governance models, member organizations of Omni Commons include a worker-owned café, a democratic “hacker space,” a citizen-science laboratory, a print-shop, and a film studio, among others. We’ll find out what is possible when a neighborhood bands together cooperatively to imagine new forms of community institutions, how they did it, and what’s next.

Assigned reading

- [Omni Commons wiki](#)

Session 7, Week of March 6 — Housing Cooperatives & the BSC

What is a housing cooperative? There are multi-million dollar apartment buildings, 50,000-occupant developments, and student houses. This week we will conduct case studies of five different housing cooperatives to analyze the ownership structures and financial planes that differentiate them independently owned homes. We will gain an understanding of the role housing cooperative play in maintaining affordable housing and building community. Furthermore, we’ll explore the potential for residential cooperatives to be hands-on educational epicenters for sustainable living.

The Berkeley Student Cooperative is a 501c3 non-profit housing cooperative. The BSC provides affordable housing and board to students at UC Berkeley and other Bay Area colleges and universities.

Guests (tentative):

- DIG Cooperative, a sustainable landscaping cooperative in Berkeley, California, with ongoing projects in the Berkeley Student Cooperative.

Assigned reading

- [Student Cooperatives Around the World](#)
 - [Welcome to the Berkeley Student Cooperatives](#)
 - [Berkeley Student Cooperative Member Rights & Responsibilities](#)
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Part IV: Imagining Tomorrow



Session 8, Week of March 13 — Project Brainstorming:
Business Model Canvas

To develop a deeper appreciation of the challenges in launching a cooperative enterprise, our class will fill in a business model canvas for the Berkeley Student Food Collective to understand the complexities associated with delivering value to customers and stakeholders. We will then share ideas for starting new co-ops, identify existing co-ops for deeper analysis, and propose ideas for transitioning non-cooperative businesses into cooperative enterprises, especially within the realm of resilient ecologies.

The Berkeley Student Food Collective is dedicated to providing fresh, local, healthy, environmentally sustainable, and ethically produced food at affordable prices to the Berkeley campus and greater community. Through inclusive, democratic decision-making, they operate a cooperative grocery market that promotes community-building and environmental stewardship.

Homework

- *Review the project guidelines and finalize your project proposal*

Assigned Video

- [Business Model Canvas explained](#)

Session 9, Week of March 20 — Envisioning a Better World: Cooperatives & Community Resilience

If we are to create co-ops that truly foster community (social, environmental, and economic) resilience, we need to think about a business's role in systems of privilege and oppression. How can cooperatives be used for social and environmental justice? Are cooperatives inherently equitable? We will explore these questions through a [world café](#) with co-op cultivators from the Sustainable Economies Law Center, Alchemy Collective café, and AORTA.

The Sustainable Economies Law Center cultivates a new legal landscape that supports community resilience and grassroots economic empowerment. They provide essential legal tools – education, research, advice, and advocacy – so communities can develop their own sustainable sources of food, housing, energy, jobs, and other vital aspects of a thriving community.

The Alchemy Collective is a worker-owned and democratically-managed café and coffee roaster in south Berkeley. They hold art openings, movie nights, poetry readings and acoustic music shows for the greater community.

The Anti-Oppression Resource & Training Alliance (AORTA) is a worker-owned cooperative devoted to strengthening movements for social justice and a solidarity economy. Based in locations across the country, they work as consultants and facilitators to expand the capacity of cooperative, collective, and community based projects through education, training, and planning.

Assigned reading

- [What is Anti-Oppression?](#)
- [“White Like Me: Reflections on Race from a Privileged Son” by Tim Wise](#)
- [“Social Justice” Part 1 and Part 2 by Heather Hackman](#)
- [An Overview of Anti-Oppressive Practice](#)

Session 10, Week of April 3 — The Co-op Youth Movement: What's In It For You?

The cooperative movement is vast and ever growing but what role do young people (17-30) play in it? In this class we will talk with organizers, developers, and professionals who work with cooperative youth. We will explore the objectives of the movement and discuss opportunities for college students and graduates interested in careers in this field.

CoFED (Cooperative Food Empowerment Directive) is a non-profit organization that supports college student start, run and improve cooperatively owned and operated food businesses. They provide hands on support and development advice to students starting new businesses as well as improving old ones.

USACYC (USA Cooperative Youth Council) facilitates and strengthens the influence of youth in the cooperative movement. By organizing caucuses, conferences, and cohorts they empower and broadcast youth voices within the movement.

Assigned reading

- Explore the [USACYC website](#) and read the [#CoopYouth Leaders Manifesto](#)
- Explore the [CoFED blog](#) and read about youth-led food cooperatives

Session 11, Week of April 10 — Cooperatives at Scale

When cooperatives are growing rapidly, they have fundamentally different questions to answer around the issue of expansion than those of traditional businesses. Cooperatives that choose to pursue expansion must maintain effective democracy while creating economies of scale, create bureaucracies without unchecked hierarchy, all while staying true to their underlying social and environmental principles. We'll explore how preeminent large-scale cooperative networks — Mondragon, Evergreen, Arizmendi, and Equal Exchange — balance these competing considerations while staying afloat in a chaotic industrial marketplace to pave the way for a true cooperative economy.

Resources from class:

- Video: [Shift Change](#)

Session 12 & 13, Weeks of April 17 & 24 — Project Presentations **Taking Cooperative Business Beyond This Course**

These classes will be dedicated to final projects presentations, followed by a course evaluation and reflection activity.

Assigned readings

- [*Cooperative Management Education*](#)
- [*Think Outside the Boss Manual by Sustainable Economies Law Center*](#)