

THINK OUTSIDE THE BOSS



**WORKER-OWNED CO-OPS AND
WORKPLACE DEMOCRACY**

Outline

Introduction (5 - 10 min)

- » Who I am
- » TESA
- » The Federation

11 years, over 100 members, a membership & advocacy organization, significant part of ecosystem

Benefits: TA, education (relationship to DAWI)

Advocacy: Support for local organizing, member council, strategizing about the movement

Worker Co-ops 101 (15 - 20 min)

- » The model

Democratic: Some degree of decision-making at all levels

Equitable: One worker, one vote, one share

Governance: Bylaws, culture, flexibility

- » The effects

Business terms: More profitable, longer lasting, lower turnover,

Social justice: Equity, wealth creation, democracy, connections to other movements (prison reform, immigration, racial justice, environmentalism)

- » A movement

Ecosystem, growth, impact, advocacy, change

Breakouts (30 - 60 min)

- » Walkaround (30 min)
- » Mapping (30 min)

Q&A (10 - 15 min)

Freedom Quilting Bee

The Freedom Quilting Bee (or, “the Bee”), a handicraft co-op in Alabama was established in 1966 by female family members of sharecropping farmers. Sharecropping farmers rented the land on which they farmed, so their livelihood was incredibly vulnerable. If their rent was raised or the land-owner decided to no longer rent to them, they would have no way to earn an income. The Bee was founded at a time when many sharecroppers were losing their rented land because the land-owners disapproved of the farmers’ participation in activities supporting the Civil Rights Movement. The women began selling quilts after many of their families lost their land.

In 1968, due to the success of the cooperative, the Bee was able to buy 23 acres of land that could fit both a sewing plant – which still exists today - and homes for many families who were evicted for Civil Rights organizing. From 1970 to the mid-1990s, the cooperative leased part of a building for a day-care center. By 1992, the cooperative was the largest employer in town. The Bee was also a member of a larger cooperative, which worked together to create a wide variety of products - potholders, placemats, napkins and aprons – that were shipped out and sold in various stores in other parts of the United States. The Bee’s products were in such demand, that a group of women in New York opened a store

called the “Bear Paw” specifically to sell quilts and other products created by the cooperative.

The Bee’s work was displayed at the Smithsonian Institution, the cooperative was contracted with to produce products for Sears, and sold at stores like Bloomingdale’s. In recent years, quilt production has been taken up by other countries lacking sufficient regulation and enforcement of labor protection and wage standards which allows factory owners to produce quilts very cheaply. These low cost quilts are then sold very cheaply back to the US, making it hard for the Bee to remain competitive in the quilt market. But, the Bee has been able to adapt and has diversified its product offerings to include other things, included canvas bags, many of which are ordered by other cooperative organizations to use for their meetings and conferences.

Discussion Questions

- » Freedom Quilting Bee clearly addressed both community and individual needs. What current issues in your vicinity do you think a worker co-op could address?
- » How are the movements for racial justice and a cooperative economy intertwined?

Pedal People Cooperative

Pedal People Cooperative was started with just five hundred dollars in the winter of 2002. It is now a worker-owned human-powered delivery-and-hauling service for items under 300 pounds in Northampton, MA.

When Pedal People started, Northampton had no municipal curbside pickup for trash and recycling. Residents were responsible for taking their trash to the transfer center or contracting a private service. Pedal People has seen many changes since they started nearly a decade ago. They now do compost pickups, furniture transportation, farm share and Valley Green Feast food delivery, and occasionally even act as a bicycle cab service.

According to a member of Pedal People: “Pedal People is special because we provide hauling services on bicycles powered by human bodies. The fact that we do not rely on fossil fuels to do our jobs means that more of the money we generate stays in the local economy. We are able to pay ourselves a living wage, support local causes we believe in, and reinvest surplus into our cooperatively-run business. Pedal People worker-owners are friendly and accessible; we love to talk about our work on the street, in classrooms, at community events--wherever. We believe that advocacy, education, and access to

information empower our community to make well-informed choices about health and sustainability.”

Discussion Questions

- » One of the great things about Pedal People is the small amount of capital required to start up the co-op, which now employs over a dozen people . Do you think this start-up model is replicable? Why or why not?
- » Does (or could) your city contract with worker cooperatives for municipal services? What other services could be turned into worker co-op businesses?
- » What municipal-level strategies for encouraging worker co-op growth are being pursued where you live? How can you support this kind of advocacy? If there are few or none, what strategies can you envision?

Cooperative Home Care Associates

“Cooperative Home Care Associates (CHCA) is a nationally recognized, worker-owned home care agency in the Bronx. CHCA was founded in 1985 to provide quality home care to clients by providing quality jobs for direct-care workers.

CHCA started with 12 home health aides. The cooperative now employs more than 2,000 staff. Together with PHI, a nonprofit founded by CHCA in 1992, CHCA maintains an employer-based workforce development program that provides free training for 600 low-income and unemployed women annually and serves as a significant driver of employment in the Bronx.”¹

“Octaviea now works for a different agency, Cooperative Home Care Associates (CHCA) in the South Bronx, and she says the difference is night and day. “At Cooperative, I have a steady income -- at least 40 hours every week -- health insurance, personal days off, and I know who to turn to when I need help.”

Octaviea’s path, going from a bad home care job to a decent one, is telling, since both her past and current employers provide the same services, in the same city, within the same marketplace and

1 From the CHCA website

public-funding constraints. Yet Octaviea’s current employer, CHCA, has built a successful business strategy around raising the floor for all its aides.”²

Instead of part-time employment, CHCA assigns aides to maximize full-time work. It also provides health insurance for many of its workers through its union affiliation and it offers double the minimum training hours required by law. CHCA also employs “peer mentors” and trains its supervisors to be coaches rather than disciplinarians. One result is that CHCA’s annual turnover rate, around 20 percent, is half the industry average.

Discussion Questions

- » CHCA demonstrates how worker cooperatives could be brought to scale. What other industries offer opportunities for co-op development at scale?
- » What are some of the benefits and drawbacks in operating a larger cooperative? How can you take these lessons and apply them to the work you will be doing?

2 From the *Huffington Post*, “Too Few Good Jobs? Make Bad Jobs Better” (10/9/2012)

A Yard and A Half Landscaping

Since its inception in 1988, A Yard and A Half Landscaping has had two primary goals. The first is to deliver family and environmentally safe landscaping to the greater Boston area. These services include landscape design, hardscape installation (walls, driveways, etc.), and landscape maintenance. The second goal is to provide a dignified workplace for employees. The hallmarks of this workplace included women and Spanish-speaking immigrants at every level of the company, giving employees as much year-round work as possible, and wages and benefits as high as the market would allow.

In 2009, [founder Eileen Michaels began to think about selling the business and retiring. Eileen took two steps to begin the process of selling the company to her workers. First, she reached out for business conversion assistance. She found a firm to have the business valued and looked for lawyers accountants and cooperative developers to begin the conversion process. Second, she expanded the management team of A Yard and A Half Landscaping. Management of the company had been made more participatory years earlier, a process Eileen and others credit with the success of the conversion.

After holding several meetings to discuss the idea

of forming a cooperative that would purchase the business, interested employees elected a steering committee. This steering committee represented the future cooperative in discussions with Eileen and made early decisions about the governance and management of the cooperative after the purchase of the business.

The transfer of A Yard and A Half Landscaping's assets to the newly formed A Yard and A Half Landscaping Cooperative Corporation took place on January 1, 2014. By the time of the transfer, 11 of the 20 eligible employees had purchased a \$7,000 membership share.¹

- » Are business owners in your community approaching retirement age? How can you engage with the business community to identify opportunities for worker co-op conversion?
- » What resources, such as co-op developers or networks, exist in your area that could support a conversion?
- » How can you introduce local business owners to the idea of passing their company on to their employees?

1 Quoted from *Successful Cooperative Ownership Transitions: Case Studies on the Conversion of Privately Held Businesses to Worker Cooperatives*, Democracy at Work Institute

Mapping Your Local Co-op Ecosystem

All worker cooperatives share a few basic needs and it is critical to recognize opportunities to get support meeting those needs. Often there are more resources available to support worker co-ops than meet the eye. These few questions will get you thinking about your needs and who you know or need to know in order to meet them.

Legal

Does your state have an official worker co-op statute under which you can incorporate? Are your bylaws comprehensive enough? Have you considered all the legal risks of operating in your industry? These questions are fundamental legal concerns that all worker co-ops need to address.

- » Who is your lawyer? If you don't have one yet, can another co-op recommend one?
- » What are the local, regional, or national organizations that have done legal research applicable to your industry or region?

Technical

How are your accounting systems? Do you need business insurance? What benefit plans are available? Is your culture democratic and socially just? Technical assistance providers help answer such questions for worker cooperatives at all

stages of their lifespan and this type of assistance is particularly important at the outset.

- » Start with what you have. What co-op or traditional business knowledge already exists in your co-op? Are there areas where that knowledge is lacking?
- » Look to your community for support. Are there networks or organizations you can turn to that understand the co-op model? What traditional businesses are in your industry who can offer general guidance?
- » What educational institutions can offer skills or services? Examples include community colleges or business programs and associations.

Financial

What is your business plan? Do you have steady and reliable revenue streams? Is your cash flow consistent enough to pay bills on time? Are you loan ready and can you access extra funding when you need it? These financial questions can be complicated and require specific skills to address.

- » Who can you contact to learn about funding opportunities and start-up capital?
- » What development organizations are nearby? Community development corporations or co-op developers offer professional development opportunities

and direct assistance. Credit unions may also have such support opportunities.

- » Are there anchor institutions (schools, hospitals, city services) that can be a regular source of revenue?

Support

Worker cooperatives thrive where they are well connected and can rely on one another and outside support.

- » Who are the local decision-makers (e.g. city councilors, bank officers, etc.) who know how to support local co-ops? What do they offer to your co-op? If there are few or none, what education work will need to happen to gain acceptance and visibility?
- » Is there a local small business development office at the city, county, or state level that can provide guidance?
- » Is your co-op connected to other movements for social justice? What organizations do you know and in what ways can you be mutually supportive?