

How do co-ops cooperate best?

Real-life case studies of effective coordination,
and pitfalls

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The goal here is inspiration

We'll review proven approaches to co-op federation and solidarity.

We'll consider the opportunities they reveal.

SHARED KNOWLEDGE

SHARED FINANCIAL SUPPORT

UNITED BARGAINING POWER

SHARED ASSETS

& PITFALLS

SHARED KNOWLEDGE

Skills Training

Replication Recipes

SHARED KNOWLEDGE Skills Training

A co-op grocery needed help with their produce displays. The federation provided free advice, helping the store grow produce sales 15%

Provide best-practice advice

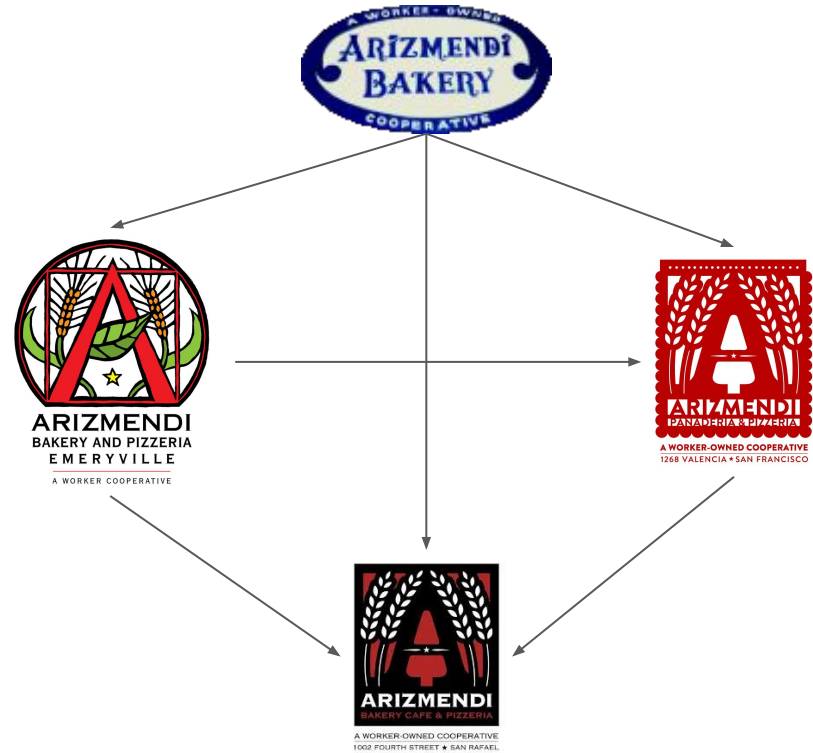


SHARED KNOWLEDGE

Replication Recipes

A co-op bakery federation uses a detailed recipe to birth new branches. Existing bakeries jointly invest in startup funding and training to get the new one off the ground.

Turn a winning model into a turnkey franchise



SHARED FINANCIAL SUPPORT

Safety Networks

Startup Funding

Internal Grants

SHARED FINANCIAL SUPPORT

Safety Networks

Spain's massive co-op corporation can reassign worker-owners if one of its co-ops goes down. When an appliance maker went bankrupt, Mondragón reassigned over 400 people to its other cooperatives.

Build a process to redistribute staff

Because Mondragon operates its own insurance funds, it could also offer unemployment benefits and early retirement options to workers affected by the bankruptcy.

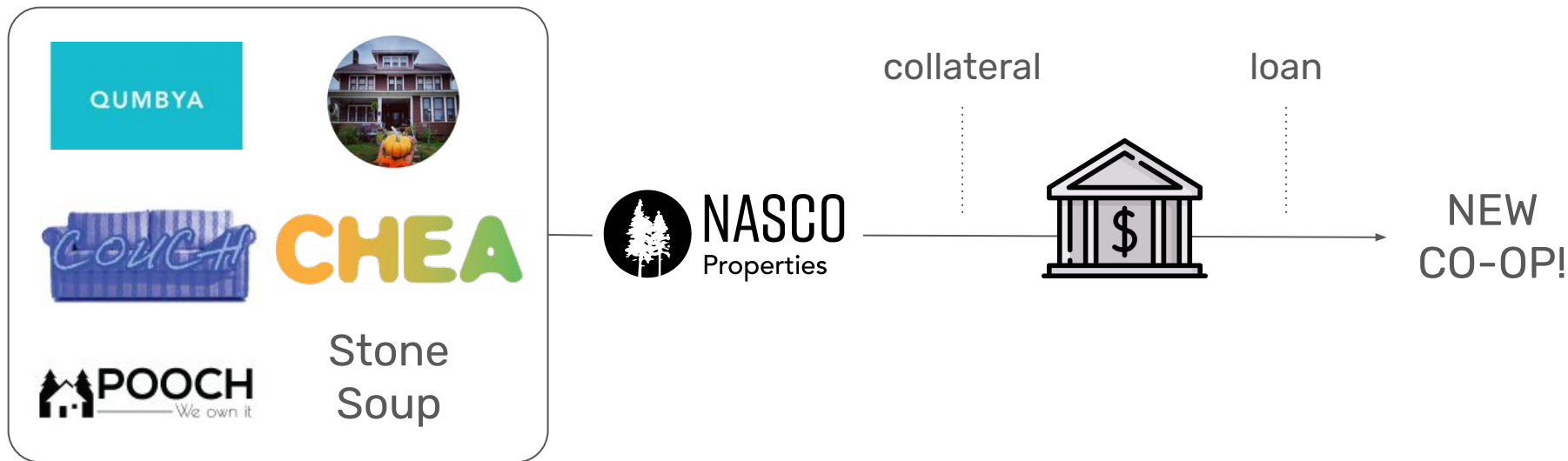
Build an emergency fund



SHARED FINANCIAL SUPPORT

Startup funding

NASCO pools the value of its properties into collateral for new co-op loans.



Leverage common assets

SHARED FINANCIAL SUPPORT Internal Grant Programs

A group of coffee shop workers dreamed of converting their workplace to a co-op, but the paperwork was too expensive, and they weren't even sure if it would work. Thanks to a grant from their co-op federation, they got all the legal and business consulting they needed to get off the ground.

Collectively invest in outside expertise



CANADIAN
WORKER
CO-OP
FEDERATION

FÉDÉRATION
CANADIENNE DES
COOPÉRATIVES
DE TRAVAIL



UNITED BARGAINING POWER

Policy

Legal Advocacy

Federal Assistance

UNITED BARGAINING POWER Policy

In 2018, the US Congress was working on a bill to expand support for small businesses. Through the work of the US Federation of Worker Cooperatives, co-ops were specifically addressed in the law that passed.

Lobby for recognition



UNITED BARGAINING POWER

Legal Advocacy

For decades, the USDA's loan program had discriminated against Black farmers. But in 1999, the Federation of Southern Cooperatives helped win a billion dollar settlement paid to thousands of Black farmers.



Organize class-action lawsuits



UNITED BARGAINING POWER

Federal Assistance

A Uruguayan federation of housing co-ops organized and pressured the government to include direct grants alongside loans to *new* housing co-ops. And since more co-ops means more bargaining power, their influence has grown exponentially.

Lobby for funds that grow the network



SHARED ASSETS

Processing Facilities

Branding

Research and Development

Software

SHARED ASSETS

Processing Facilities

In Canada, a federation of gas station cooperatives controls a much larger set of operations. They buy raw petroleum collectively, process it through their own refinery, and distribute it all themselves.

Own the means of production



SHARED ASSETS

Branding



Land O' Lakes isn't a single company. It's a huge cooperative including large businesses and family farms as members. It doesn't always represent worker-owners, but it collectively built the single most famous butter brand through a collective, focused investment.

Collectively invest in one brand

The Most Famous Food & Snack Brands

Fame ▾

Popularity ▾

70		Land O Lakes (butter)	93%	63%
71		Hostess CupCake	93%	67%
72		Jell-O Pudding Snacks	93%	59%
73		Milk Duds	93%	61%
74		Pringles	93%	70%
75		Whoppers	93%	60%
76		Heinz Mustard	93%	66%
77		Nerds	93%	56%

SHARED ASSETS

Research and Development

Mondragon's R&D lab develops technological expertise in areas that benefit a variety of Mondragon's other coops. The lab itself is a standalone business, but it shares insights throughout the Mondragon corporation.

Develop versatile knowledge

ikerlan



SHARED ASSETS

Software

A federation of bicycle courier coops maintains the logistics software used by all the coops. Basically, they created their own UberEats.

Build sharable infrastructure



PITFALLS

Democratic Paralysis

Debt Traps

PITFALLS

Democratic Paralysis

Shared benefits also come with shared risks and losses. When a few grocery stores in the Berkeley Consumers' Cooperative started losing money, their losses dragged down the whole operation.

While the losses grew, members got stuck in well-meaning but time-consuming arguments about closing the stores and laying off employees. Eventually, they had to shut down the entire network.

Be prepared for some members to fail

PITFALLS

Debt Traps

Part of what makes co-ops heroic is all the difficulty involved. Mainstream businesses can take funding from outside investors, offering ownership stake as an incentive. This usually isn't an option for coops, where the only owners are the workers.

As a result, coops often depend on debt, which adds to problems when times are tough. Even a coop supported by the Mondragon corporation crumbled under interest payments while economic winds were blowing against them.

Whenever possible, stick to solidarity capital

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REVIEW

There's no magic model for federations of coops
Success comes from solidarity serving scale

REVIEW

There's no magic model

Many kinds of federations can work:

Hyper-focused

Arizmendi, NASCO, Coop Cycle.

Expansive and inclusive

Canadian Worker Co-op Federation, US Federation of Worker Cooperatives

Complex and integrated

Mondragon, Federated Cooperatives Limited

REVIEW

Success comes from solidarity ... in service of scale

Like a reproducing cell, Arizmendi bakeries devote extra energy to the creation of new offshoots. And with a longer history, the Uruguayan co-op federation reveals the power of this kind of expansion. They focused on producing more coops, and they all grew stronger in their collective might.

The Berkeley Consumer Coop fell apart because they lost sight of the bigger picture. By focusing their solidarity instincts on individual stores, they lost the whole federation.

Even with tough decisions, federations don't have to compromise on core values. Mondragon may let individual coops fail, but it's prepared to rescue the *people* inside them.

CASE STUDY

A Network of Intentional Communities

CASE STUDY

North American intentional communities are exploring different forms of cooperation



CASE STUDY

Shared challenges among intentional communities

Let's brainstorm on some ways to solve those challenges, based on what we now know seems to work.

Shared challenges:

- Churn / turnover
- Recruitment
- Diffusing social tension through fluidity
- Elder care
- Zoning restrictions