

***HARNESSING THE POWER OF THE CO-OPERATIVE DIFFERENCE
STORIES AND STRATEGIES FROM WORKER CO-OPERATIVES IN THE
CONNECTICUT RIVER VALLEY***

by

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With Julie Graham**

Prospectus for Levellers Press

Overview

Co-operatives don't look very different from mainstream business (they produce and sell commodities, borrow money, employ workers and own private property) but this book shows how different they are. We show how worker co-ops are good for workers, communities, regions and ultimately the nation and globe because they provide secure, flexible and fulfilling employment for workers. They root capital in communities and provide goods, services and employment for the long-term. Co-operatives and capitalist businesses differ fundamentally in organizational structure, principles and values and even their very purpose for existing! With the goal of meeting needs rather than extracting short term profit, co-operatives improve economic stability and opportunities for people in localities all over the world. *Harnessing the Power of the Co-operative Difference* describes these differences and offers strategies for leveraging them to grow the movement.

In 175 pages this book introduces the history and concept of worker co-operation and relays past and present stories of worker co-operatives in the Connecticut River Valley. It offers practical and theoretical insights on co-op governance, management, communication and conflict highlighted by cautionary tales and sagas of personal transformation shared by current and former co-operators. The book addresses obstacles and opportunities for building a co-operative economy and making worker co-operatives an increasingly important part of the U.S. economy. We outline a regional vision based on strategies of worker co-operatives in the Connecticut River Valley as a guide and inspiration for co-operative development in any region.

Rationale

We face global economic and ecological crises that threaten the survival of creatures and ecosystems worldwide. Political economic systems and leaders in the U.S. are not rising to the challenge. However, there is immense interest in experimenting with and bringing a different economy into being. There is a global movement for economic

autonomy, justice, and self-determination. Waves of this movement have come together in the World Social Forum and its national and regional offshoots, the solidarity economy movement, the movement for re-localization and recent Occupy movements that are all seeking and claiming spaces for new ways of meeting our economic needs.

The worker co-operative movement is an active participant in the global push to build new economies and co-operatives across sectors are foundational for the realization of this possibility. They are increasingly seen as a convincing way to build economies that attend to people and futures not just private profits now for some. The Mondragon Co-operative Corporation's recent collaboration with the United Steel Workers Union sparked new interest in worker owned co-oepratives among traditionally skeptical lefties and unionists. Michael Moore's 2009 "Capitalism: A Love Story" inspired popular interest as did Avi Lewis and Naomi Klein's 2004 documentary "The Take" that shared the harrowing story of workers taking over closed factories in Argentina. Academic, activist and policy interest has been provoked by the Argentina Autonomista movement and by the United Nations declaration of 2012 as the International Year of Co-operatives.

Co-operatives can be a transformative force people's lives and communities, promoting social and economic democracy, equality and more secure livelihoods. However, if worker co-operatives are going to be a major part of economies in the future, they need to be more integrated and connected. This book shows how that could happen, and how it is happening in one region.

Table of Contents

Introduction

A) Worker Co-operatives

- Chapter 1 Worker Co-operatives: historical, sector, regional context
- Chapter 2 What's it like to be a worker co-operator?
- Chapter 3 Democratic participation in action

B) The Co-operative Difference

- Chapter 4 The co-operative difference
- Chapter 5 Rendering the co-operative difference invisible
- Chapter 6 The consequences of invisibility
- Chapter 7 VAWC: a co-op led model for development
- Chapter 8 Envisioning a regional co-operative economy

In Conclusion

Appendices

Table of Co-op “Biographies”

Pelham Auto	x
Common Wealth Printing	x
Collective Copies	x
PV2	x
Green Mountain Spinnery	x
Co-op 108	x
Valley Green Feast	x
Brattleboro Holistic Health Center	x
Toolbox for Social Change and Action.....	x
Simple Diaper and Linen	x

Format and framework

This book is based on qualitative research conducted with the Valley Alliance of Worker Co-operatives and its members between 2005 and 2011. Research included fifty in depth interviews with current and former worker co-operative members and more than 1500 hours of participant observation conducted by Cornwell and Johnson. The theoretical framework is influenced by J.K. Gibson-Graham’s work on diverse economies and draws from Cornwell’s doctoral dissertation which was supervised by Julie Graham and Katherine Gibson.

Broad concepts are grounded and brought to life by quotes from interviews and biographies of Valley worker co-operatives. Part I focuses on worker co-operatives. The first chapter provides a brief background and definition of worker co-operatives while chapters two and three explore the experience and mechanics of worker co-operation. Worker co-operators share celebratory and cautionary tales as well as practical tools for governance, management and development. Part II takes a broader perspective. We define the “co-operative difference” —that is the Co-operative Identity rooted in

Principles and Values—and its power for developing co-operatives of all sectors and industries. We consider why disciplines of economics and business management misunderstand and ignore “the co-operative difference”. Experiments in New England, Ohio, California and abroad demonstrate the economic advantages of inter-cooperation. The Valley Alliance of Worker Co-operatives, the Neighboring Food Co-operative Association and the Valley Co-operative Business Association inspire a vision of a co-operative economy in our region. Their strategies are practical and inspirational. We share them as a guide for building co-operative economies anywhere.

Stories of individual worker co-operatives are presented as ‘biographies’ interspersed between chapters. Vivid images highlight the variety of industries in which co-operation is possible. Photos of auto workers (Pelham Auto) alongside hands on massage (Brattleboro Holistic Health Center), human powered trash removal (Pedal People), early 20th century wool spinning machinery (Green Mountain Spinnery), book sales (Food for Thought) vegetables (Valley Green Feast) and copy services (Collective Copies) demonstrate that worker co-operation can work in any industry. Inspirational stories are balanced with cautionary tales. For example, we share the stories of former co-operators like the founder of Food For Thought Books who was ousted by his fellow co-operators ten years into his career; and Common Wealth Printing that struggled with technological change and their democratic process before closing its doors permanently. Those tales are balanced by stories of long term co-operatives like Pelham Auto which has thrived for nearly forty years, providing stable fair and fulfilling work for its members. –And new co-operatives, like Brattleboro Holistic Health Center whose members want to set an example start for ups like themselves. These stories are rich with practical lessons and inspiration for current and future co-operators everywhere.

Chapters range in length from 5,000 to 8,000 words. Biographies range from 1,000 to 2,500 words. The anticipated length of the book is approximately 70,000 words excluding appendices, glossary and index.

Target Audience and Marketing

Harnessing the Power of the Co-operative Difference (HPCD) is written for a wide audience: university and advanced high school students, co-operative members and their associations as well as development agencies, nonprofits and other community organizations.

Co-operatives

Co-operatives, their members and associations, are a niche market for this book. There are some 29,000 co-operatives in the US with Americans holding 350 million memberships. HPCD demonstrates what all of these co-operatives across sectors and industries have in common with each other and it is written for co-op members across sectors nationwide. We can reach this market via national and regional co-operative conferences, gatherings of co-operatives and their alliances and on the shelves of an estimated 350 food co-operatives. The Neighboring Food Co-op Association (which represents 30 food co-ops with 80,000 members in our region) and the National Co-operative Grocers Association (representing 170 co-op grocery stores and 1.3 million consumer-owners) will be key allies in the food co-op market. Connecting with associations like the National Rural Electric Co-operative Association (a co-op of 905 electric co-operatives serving 42 million people and 18.5 million businesses) and their online store, the National Co-operative Business Association, the Credit Union National Association and the US Federation of Worker Co-operatives will enable us to reach a broader market of cross-sector co-operative members. It is also a great resource for the co-op academies (in the Bronx, Austin, and Detroit for example) and non-profit development enterprises that are springing up all over the country as the UN designated International Year of Co-operatives 2012 transitions into the Decade of Co-operatives.

Academic:

Interest in co-operatives is burgeoning, especially since the International Year of Co-operatives raised their visibility. However, there are few good resources that explore practical and theoretical components of co-operatives, from governance and management to development and growth. HPCD fills this void. It is the only research-based book that provides concrete co-operative strategies with an eye for inspiration. It is an excellent resource for classes such as Co-operative Economics, Business Management, Alternative Economic Models, and Community Development. The growing field of Social Entrepreneurship will be a substantial market for HPCD. It could be a key resource for students and professors in Social Entrepreneurship programs at universities all over the U.S. including, for example, Harvard, Duke, Northwestern, NYU and UC Berkeley.

Geography and Political Economy courses will also find this book of key interest. Those concerned with radical alternatives or a more conservative approach to development could be equally intrigued by it. Members of Community Economies Collective and Community Economies Research Network have played key roles in reviewing HPCD and look forward to using it in their classes. Our book could be a great resource for faculty and students at the University of Wisconsin Center for Co-operatives; one faculty member sits on the board of the Co-operative Foundation that provided us a grant to finish the book.

International:

HPCD will have international interest because it demonstrates the co-operative culture of worker co-operatives in one region of the U.S. Cristina Grasseni, Italian Anthropologist and current Harvard Fellow was fascinated by our book because it demonstrates a distinct culture of co-operation that is *vastly* different than the co-operative culture in Italy. She suggested that activists and co-op scholars in Italy would find it of interest. We also believe there will be a strong market in Canada where social and co-operative enterprise is increasingly being studied and seen as a solution to economic crisis. One of the authors is a member of an international network of researchers, academics and activists called the Community Economies Collective. Most of its thirty members teach in some capacity and are excited to use the book in their classes.

Reviewers

Erbin Crowell, Executive Director, Neighboring Food Co-op Association

Steve Dubb, Democracy Collaboration, University of Maryland

Nancy Folbre, Department of Economics, University of Massachusetts

Katherine Gibson, Institute of Culture and Society, University of Western Sydney

Jessica Gordon-Nembhard, Department of African American Studies, John Jay College, City University of New York (CUNY)

Bonnie Hudspeth, Staff Outreach, Neighboring Food Co-op Association

E. G. Nadeau, Sobey School of Business, Saint Mary's University

(Pending Confirmation)

Gar Alperovitz, Department of Government and Politics, University of Maryland

Melissa Hoover, Executive Director of the United States Federation of Worker Co-operatives

John Restakis, Centre for Co-operative and Community-Based Economy, University of Victoria

Synopses of Chapters

Introduction (2,275 words)

We lay out three reasons for researching and writing this book. First, the co-operative business model has much to offer workers and communities wanting greater economic stability, sustainability and equality in their lives. Second, there is the burgeoning global movement for economic autonomy, justice, and self-determination, including projects of “blessed unrest” such as the World Social Forum, the solidarity economy, commons and Occupy movements. Finally, we want to raise awareness about the value and viability of creating a truly co-operative economy in Southern Vermont and Western Massachusetts as a regional economic development model.

PART A: THE REALITIES OF WORKER CO-OPERATIVES

Chapter 1 Worker co-operatives: historical, sector and regional context (5,380 words)

This chapter begins with a brief historical background on the origin of worker co-operatives at the beginning of the Industrial Revolution. This is followed by a snapshot of co-operative evolution in the Connecticut River Valley from the 19th century to the recent formation of the Valley Alliance of Worker Co-operatives (VAWC). The worker co-op sector is placed in the context of the variety of co-operative institutions including producer, consumer and hybrid models. With that context we offer an overview of worker co-ops around the world. The chapter concludes with the movement’s root in cross sector inter-co-operation and the international Co-operative Identity, Values, and Principles that all co-operatives share.

Chapter 1 is followed by biographies of two worker co-operatives in the Valley:

Pelham Auto (2,569 words)

- One illustration
- Three photos

Food for Thought (1,169 words)

- Three photos

Chapter 2 What’s it like to be a worker co-operator? (7,528 words)

Unlike most traditionally held businesses, the nature of co-operatives demands worker members have a say in the direction of their company. Chapter 2 details members’ stakes in maintaining the quality and security of their jobs as well as the challenge and

satisfaction of that responsibility. Excerpts from interviews convey a sense of personal transformation described by interviewees who attribute it to membership in their co-operatives. The chapter explores negotiation of values and opinions at work as co-operators participate in the ongoing process of learning how to communicate honestly and openly with their co-members. It brings together a shared sense of freedom, responsibility, security and flexibility that co-operators suggest they wouldn't have in a traditionally owned business.

Chapter 2 is followed by the biographies of two worker co-operatives in the Valley:

Common Wealth (2,270 words)

Collective Copies (1,960 words)

- Four photos

Chapter 3 Democratic participation in action (10,212 words, one graphic)

This chapter is about embracing worker cooperation with the best practices of democratic decision-making “in spite of all the obstacles”. It emphasizes the value of learning from experience, especially difficult times and challenges. Co-operators share a general agreement that there is no one right way to form or operate a co-op, however, it seems there are some wrong ways. We share cautionary tales in the spirit of informing current and future co-operators of what others have done so they might make better decisions for themselves and their co-ops. We address conflict, communication, ‘buy-in’, hiring and firing and offer time-tested tools to facilitate communication and effective decision-making.

This Chapter is followed by the bio of one worker co-op in the Valley:

PV2d (2,463 words)

- One photo

Part B: THE CO-OPERATIVE DIFFERENCE: CHALLENGES and OPPORTUNITIES

Chapter 4 The Co-operative difference (5,371 words)

There are big differences between the three main co-operatives sectors—producer, consumer, and worker—and between the industries they belong to, such as food, finance, solar installation, fabric, or insurance etc. However, if we only see how co-operatives are different from each other we miss out on the bigger picture of co-operative economies as an alternative to business as usual and as a viable model to raise standards of living, build shared expertise and root jobs and wealth in communities. In

this chapter, we explore what co-operatives across sectors and industries have in common and what makes them radically different from “regular” or “capitalist” businesses. This is known as the co-operative difference. All co-operatives are member-owned, democratically controlled enterprises based upon Co-operative Values and guided by Co-operative Principles. They differ from capitalist businesses in 1) organizational structure; 2) the values upon which they are based; 3) their guiding principles and 4) their very purpose for existing. Finally, we show that the economic impact of all the co-operative enterprises is substantial in the U.S. as it is worldwide.

This Chapter followed by the bio of one worker co-operatives in the Valley:

Green Mountain Spinnery (2,259 words)

- # Photos TBD

Chapter 5 Rendering the co-operative difference invisible (4,316 words)

If the co-operative difference is so great, then why isn't it a part of everyday conversation like capitalist activity is? In this chapter we discuss the widespread, mistaken assumption that the economy is strictly capitalist. We show how a capitalist mindset is broad-scale and perpetuated through formal education and popular media. We argue that this is a deep misunderstanding that has rendered co-operatives and ‘the co-operative difference’ invisible. As a result, the co-operative difference, along with other kinds of economic diversity, is undervalued and misunderstood by the general public, most economists as well as most management and business educators.

This Chapter is followed by the biography of one co-operative in the Valley

Pedal People (number of words and photos TBD)

Chapter 6 The consequences of invisibility (6,022 words)

This chapter explores substantial scope and impact of the invisibility of the co-operative difference. It details four specific consequences that obstruct co-operative economies from flourishing:

1. lack of informed choice leads to fewer patrons and fewer co-opreneurs;
2. lack of expertise in co-operative governance and/or management skills undermines Co-operative Identity, Values and Principles;
3. lack of investment and understanding of co-operative development either starves start-ups or misdirects the development of co-operatives; and

4. isolation of co-operative sectors from each other prevents the development of economic power through inter-cooperation.

This Chapter is followed by the biographies of two Valley Co-operatives:

Gaia Host Collective

- Number of words and photos TBD

Co-op 108 (1,132 words)

- Number of photos TBD

Chapter 7 VAWC: a co-op led model for development (4,527 words)

This chapter returns to the Valley Alliance of Worker Co-operatives (VAWC). It describes VAWC as an example of a co-operatively led development model that addresses the problems laid out in the previous chapters. VAWC is not blinded by a capitalist mindset; they are busy making the existence, power and viability of worker and other co-operatives visible in the market and in formal educational institutions; they are informing consumers through promotion and are educating students about co-operatives as a clear and viable alternative; they are cultivating skills necessary for current and future co-operators and co-opreneurs to succeed; they understand co-op development based upon the experience of worker ownership and are investing in co-operative development.

This Chapter is followed by the bios of two worker co-operatives in the Valley:

Valley Green Feast (+/- 938 words)

- Photos TBD

TESA (1,324 words)

- Photos TBD

Chapter 8 Envisioning a regional co-operative economy (6,413 words)

VAWC's struggles and successes over their brief 6 year existence provoke us to imagine future possibilities through cross-sector development. In this chapter we step back to present a snap shot of the diverse co-operatives in our region. The power of cross-sector collaboration in Northern Italy and in the Basque Region of Spain is well-known and co-operatives in the Valley have keyed into their strategies. This chapter shares the stories of the Neighboring Food Co-op Association (an association of 30+ food co-operatives in Western New England), Cabot Creamery (a producer co-operative of 1,200+ farmers), UMass Five College Credit Union (a consumer co-operative of 27,000

members with \$350 million in assets). –And it describes how they are partnering with each other and with VAWC to create the Valley Co-operative Business Association. Actual and potential benefits of this association are explored. Collaboration challenges co-operators across sectors to understand and work with their differences to strengthen themselves and their communities and to bring a sustainable integrated co-operative economy into being. We invite the reader to imagine what might happen if producer, consumer and worker co-operatives across the country collaborated regionally for the purpose of cross sector co-operative development in strategic ways.

This Chapter is followed by the bios of the Valley's two newest worker co-operatives:

Brattleboro Holistic Health Center (+/- 500 words)

- Two Photos

Simple Diaper and Linen

- Number of words and photos TBD

Conclusion

About the Authors

Janelle Cornwell Ph.D.

Janelle's work on this book is currently funded by grants from the Cooperative Foundation and CHS, administered by the Ecological Democracy Institute of North America. She earned a Ph.D. in Economic Geography from the University of Massachusetts in 2011 and worked as a visiting Assistant Professor at Worcester State University before redirecting her attention to the completion of this book. Her dissertation titled *Subjects of Scale/Spaces of Possibility: Producing Co-operative Space in Theory and Enterprise*, was based on qualitative research with worker co-operatives in the Connecticut River Valley. *Harnessing the Power of the Co-operative Difference* draws significantly on her dissertation and collaborative research.

Publications

- 2013 Cornwell J "Who's on the Map?" solicited contribution for "Beyond Capitalism" *Anthropology News*
- 2011 Cornwell J "Worker Co-operatives and Spaces of Possibility: An investigation of subject space at Collective Copies." *Antipode Journal of Radical Geography* 44 (3) 726-744
- 2010 Cornwell J, White T, Templer A and Carlos LJ "Community Economies Collective: Three members' Research in the Solidarity Economy" In Kawano, E, Masterson, T and Teller-Elsberg J (eds), *Solidarity Economy I: Building Alternatives for People and Planet: Papers from the 2009 Social Forum* Amherst Ma: Center for Popular Economics
- 2009 Graham J and Cornwell J "Building Community Economies in Massachusetts: An Emerging Model of Economic Development?" In Amin A (ed), *The Social Economy: International Perspectives on Economic Solidarity*. London: Zed Press
- 2008 Cornwell J "The Iceberg Exercise" In Allard, C. Davidson and J. Mathaei (eds.), *Solidarity Economy: Building Alternatives for People and Planet, Papers and Reports from the 2007 US Social Forum*. Changemaker Publications

Michael Johnson

Michael is an independent researcher and organizer and co-founder of the Ganas Community on Staten Island in NY. Founded in 1980, Ganas is an experiential research center in democratic culture and an intentional community of 70 members, eight houses and four businesses. Michael is a co-organizer of Solidarity NYC and member of the Grassroots Economic Organization through which he has published a number of articles and edited a collaborative issue with Nobel Prize winner, the late Elinor Ostrom.

Publications:

- 2012 Johnson, M. "Lessons for Building a Co-operative Movement , A GEO Interview with John Curl, Fall.
- 2012 Johnson, M. "Shoulders We Are Standing On , Reflections on Frank Lindenfeld's vision of a cooperative commonwealth 15 years later" *GEO Vol 2*, No.13, Fall.
- 2012 Johnson, M. "The Cooperative Principles, the Common Good, and Solidarity" *GEO Vol 2*, No.12, Spring.
- 2012 Johnson, M. "A Confused Southern White Boy Becoming What He Oughtn't " *GEO Vol 2*, No.11 Winter.
- 2011 Johnson, M editor. "Collective Action: Research, Practice and Theory" with members of the Ostrom Workshop in Political Theory and Policy Analysis. *GEO Vol 2*. No 9 Fall.
- 2011 Johnson, M. "Face-to-Face Communication and the Unexplored Potential of Cooperation , *GEO Vol 2*, No. 9, Fall.
- 2011 Johnson, M. "Re-Thinking Social Change from the Ground-up" Book Review, *The Neighborhood Project: Using evolution to improve my city, one block at a time*, David Sloan Wilson, *GEO Vol 2*, No.9, Fall.
- 2010 Johnson, M "The C-Paradigm: Learning Self-empowerment and Cooperation, Becoming the change we are trying to make in the world, *GEO Vol 2*, No. 5, Spring.
- 2010 Johnson, M. "A Network of Cooperatives Gets Organized in NYC: Low-income and immigrant workers well represented , *GEO Vol 2*, No. 5, Spring 2010.
- 2010 Johnson M. "Taking the co-operative advantage to scale series 1 , 2, and 3" GEO Blog series, Fall.

Blog: <http://www.geo.coop/blogs/michaeljohnson>

Adam Trott

Adam is the Staff Developer for the Valley Alliance of Worker Co-operatives where he supports, develops and educates about and for worker co-operatives. He is an eight-year member of Collective Copies, a collectively-managed, worker co-op and union shop offering full service printing and book-binding services from two locations in Western Massachusetts. Adam is a founding co-organizer of the University of Massachusetts Co-operative Enterprise Collaborative. He serves on the board of the Co-operative Capital Fund and is an advisor to the Eastern Conference for Workplace Democracy. He is also a member of three food co-ops and three credit unions. His work has been published in local and co-operative movement media including the Co-operative Business Journal, the United States Federation of Worker Co-operatives Newsletter, Grassroots Economic Organizing (GEO) and in the *Solidarity Economy: An Overview and Some Definitions*, edited by Julie Matthaei and Jenna Allard.

Julie Graham Ph.D.

Before her untimely death in 2010, Julie was a professor of Geography in the Department of Geosciences, University of Massachusetts Amherst. She was the lead writer of our book team leaving us with a draft of the introduction when she died. Over the course of her academic career she published extensively including notable works with co-author Katherine Gibson under the pen name JK Gibson-Graham. She was a long-term Valley activist and a co-founder of the international Community Economies Collective. A select few of her publications are listed below.

- 2013 Gibson-Graham, Cameron and Healy. *Take Back the Economy: any place any time.* University of Minnesota Press, Minneapolis.
- 2006 Gibson-Graham, JK. *A Post Capitalist Politics.* University of Minnesota Press, Minneapolis.
- 2001 Gibson-Graham, JK. *The End of Capitalism (as we knew it): A Feminist Critique of Political Economy.* Blackwell Publishers, Oxford UK and Cambridge USA.