

Co-op Led and Funded Development: The Valley Alliance of Worker Co-operatives

BY ADAM TROTT

At the 2005 Eastern Conference for Workplace Democracy in Manchester, N.H., members of three worker co-ops talked into the night about passions regarding cooperation. We wanted to continue the excitement of that night—the mutual support, the potential growth and the cooperation among co-ops. We wanted to build on our commitment to our workplaces, mobilizing that energy into a system to support our region's cooperative movement.



Relationships and a Vision

As we talked, we found we shared questions: *Why aren't there more worker cooperatives? How can worker co-ops mobilize limited resources to develop new co-ops? How can we contribute across sectors to be a part of the wider cooperative economy? To seek responses to these questions we began meeting on a monthly basis.*

In this informal venue, we founded the Valley Alliance of Worker Co-operatives. We built VAWC with a vision of living an entirely cooperative day where co-ops of all stripes met people's day-to-day needs while integrating the unique advantages of worker co-operation into the wider co-op economy. For three years we developed the relationships forged in Manchester, building trust in our group as we strategized on how to take our vision more seriously.

In 2008, former Equal Exchange co-op member Erbin Crowell and I met with 10 of the 11 worker cooperatives in southern Vermont and western Massachusetts to engage members directly in exploring how co-ops might fund and direct a staff position. The Road Show, as our meeting series became known, garnered overwhelmingly positive feedback, reinforcing our sense that the position was needed for co-op support and development.

That spring, we proposed that VAWC change its trajectory from an informal volunteer group with optional dues to a development organization and to dedicate resources to a one-year pilot that would demonstrate the value of co-op-led support guided by cooperative principles. This initiative would feature shared marketing, education and

development systems finishing with a proposal for a long-term staff position.

With Crowell as project coordinator, the Staff Pilot Project began May 1, 2009. An advisory committee of four worker cooperators was formed; I served as project liaison, and VAWC committed 90 percent of its total assets. Still we needed to fill a funding gap and approached one of our long-time allies, the Cooperative Fund of New England.

Founded in 1975, CFNE shares our vision of a cooperative economy and has partnered with many of our members in providing lending and other services. It provided essential interim technical assistance funds as VAWC developed capacity to function on member dues.

Defining a Development Cooperative

Opinions varied regarding how to structure and direct a development organization.

One position was that anyone should be able to join. Not everyone who had contributed time and energy to the creation of VAWC was a member of a co-op. Some who were not co-op members felt they had earned membership status. Others who were members of co-ops felt that extending membership to supporters kept our movement inclusive.

On the other hand, examples of co-op led development in Italy's Emilia Romagna region and Spain's Mondragon and Konfekoop cooperatives demonstrated that cooperators directing and funding development was exciting, powerful and necessary to ensure participation from our biggest asset: member co-ops.

Slowly a consensus among cooperators emerged that worker co-ops would be the sole members of the alliance. Though difficult decision to make, we felt it was crucial in a few respects. It appeared that the best way to follow co-op principles and international example was for VAWC's direction and funding to be in the hands of worker co-op members while participation included cross-sector collaboration and supporters. It also safeguarded our process and ensured co-ops would literally have buy-in on goals creating long-term support programs addressing larger issues for our movement.

Members excitedly observed their direction bearing fruit as the Staff Pilot Project achieved its goals in 2009 and 2010. A membership agreement was created establishing dues, governance and structure. The Advisory Committee and staff became a founding board. Work began for a Certificate in Cooperative Enterprise program co-created with the economics faculty at the nearby University of Massachusetts, Amherst; our Working for a Co-operative Economy ad campaign appeared in three food co-op newsletters



and a long-term staff position was proposed. Finally, a traditional business, Valley Green Feast, converted to a co-op with VAWC as support (see sidebar).

Co-op Led Education, Support and Development

VAWC members borrowed a funding mechanism from Italy, where co-ops themselves wrote into law that, to be a co-op, one had to contribute three percent of surplus to development. We set our contribution to our own development fund at five percent of surplus, which we direct toward cross-sector cooperative development. Dues, on which our operations depend, have been set at 0.125 percent of gross revenue and focused on marketing, education, and development of a thriving cooperative economy.

The certificate at UMass, a university that boasts seven student-run cooperative businesses, is going on its third semester. It offers two new classes dedicated to the cooperative model with a co-op business plan as a final project. An internship program lets students work "on the floor" at a co-op while they conduct research. Lastly VAWC supported another conversion this year, assisting with supporting documents, structure, governance and a lending application to CFNE for our newest member, the Brattleboro Holistic Health Center.

We see democratic member control, member economic participation and cooperation among cooperatives as driving forces in conceiving our approach and succeeding as an organization. By building a system where co-ops are responsible for our own development instead of relying on grants as our core funding, VAWC built dialog with co-ops where they communicated their needs. Now as a co-op of co-ops we demonstrate how co-op led development, with co-op principles as our guide, meets the needs of its members and contributes to a thriving cooperative economy. [1]

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More information about the VAWC/UMass certificate program is available at www.cec.org.

Report from VAWC's First New Co-op: Valley Green Feast

BY REBEKAH HANLON

I first became connected to the worker cooperative movement as an undergraduate, through membership at People's Market, a student-run collective business at the University of Massachusetts, Amherst. At People's I learned how to connect and strengthen a community through direct communication, consensus decision making, and inter-cooperation. There I developed an understanding of how imperative it was to receive guidance from a system that shared in these same goals. I identified VAWC as such a system and stayed in contact after I graduated in 2010.

Now I'm a member of Valley Green Feast, a worker-owned local food-delivery service that seeks to tie together the importance of the local food system with worker cooperative history, rights and development.



In the past year, VAWC's involvement has shifted from support of our transition to incorporating our five-person worker co-op into an integrated circuit of collective energy. Staff from VAWC strategized with us about marketing and helped us to foster new connections that have aided in the expansion of our business. VAWC also co-organized an event with us to mark our first anniversary as a collective and attract new customers, while educating the public about co-ops in general and VGF in particular.

As my collective's representative to VAWC, I see how much a new business like VGF benefits from membership: VAWC supports our direction and builds cooperative channels for growth, from bylaws and incorporation support to expertise in governance and market strategy.

Our participation in this system of support catalyzed the development of the collective and allowed us to share the excitement of cooperatively building a successful business. [1]

Rebekah Hanlon is a Valley Green Feast worker-owner.