Embrace the Cooperative Movement

Contributed by Carlos Perez de Alejo
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In the midst of mounting economic insecurity, fueled by widespread unemployment, foreclosures and budget cuts, many people are seeking alternative models to business as usual. From community gardens to bartering networks, grassroots efforts are sprouting up across the country. One of the main pillars of this growing trend is an international institution with over 160 years of experience in local, sustainable economic development: a cooperative.

Since the mid-1800's, cooperatives have promoted a unique, people-centered model that sets them apart from conventional businesses. Unlike traditional corporations, which are owned and controlled by outside shareholders, cooperatives are businesses that are owned and democratically controlled by their members – the people who use their services or buy their goods. In other words, cooperatives are member-driven institutions that put people before profit to meet community needs.

Co-ops exist in a variety of forms in countless industries across the country and around the world. United on the basis of member-ownership and democratic control – generally following the decision-making principle of “one-member, one-vote” – co-ops have a range of ownership structures, from consumer-owned food co-ops to worker-owned manufacturing firms. In whatever form they take, however, surveys repeatedly demonstrate that consumers rate co-ops as more trustworthy than investor-owned corporations.

In the US alone, the model has been embraced by more than 130 million members, served by over 29,000 cooperatives operating in nearly all sectors of the economy.

Cooperatives play a vital role in local economic development, helping people improve their lives through empowering jobs and access to goods and services that would otherwise be more expensive, lower in quality, or simply unavailable. These demonstrated benefits have sparked growing interest in the cooperative movement worldwide. Indeed, the United Nations recently declared 2012 the International Year of Cooperatives.

In light of the economic crisis, many people have embraced worker cooperatives in particular as an effective pathway out of poverty. Owned and controlled by the people who work in the business, worker co-ops have an impressive track record of providing stable jobs with asset-building potential, higher wages, a deeper connection to the local community, and an array of personal and professional development opportunities.

Worker cooperatives often operate on the basis of a “triple bottom line”, measuring success not simply by the money they earn, but by the well-being of their workers; their sustainability as a business; and their overall contribution to the community and the environment. Cooperatives have served as a foundation for growth in the green economy, where worker-owned businesses operate primarily in labor-intensive sectors such as recycling, solar installation, landscaping, green cleaning, and deconstruction.

Internationally, the bulk of worker cooperatives are concentrated in countries like Spain, Italy and Canada. Yet in recent years the movement in the United States has become increasingly organized. In May 2004, members of the worker co-op community founded the US Federation of Worker Cooperatives, a national membership-based organization “of and for worker cooperatives, other democratic workplaces, and the organizations that support the growth and continued development of worker cooperatives.”

For the past two years, membership in the Federation has grown 25 percent per year, with the majority of growth coming from cooperatives developed in response to social, economic and community needs sharpened in the wake of the financial meltdown.

Here in Austin, Third Coast Workers for Cooperation, a cooperative development center dedicated to building worker-owned green businesses with low-income communities, is working with a group of low-income women to establish Yo Mamas Catering Co-op, a worker-owned catering business.

“We wanted jobs that would provide a good living for ourselves and our families”, says Sylvia Barrios of Yo Mamas. “We've spent a lot of time working for other people...now we want more control over our lives and we think Austin is ready for more worker-run businesses.”

Indeed, Austin already has its share of notable worker-run businesses: Ecology Action, a recycling center in downtown; Tribe Creative Agency, an advertising agency focused on the “Common Good”; and the recently opened Black Star Co-op, a worker self-managed, consumer-owned brew pub.

As one of the more noteworthy cities for socially and environmentally responsible local businesses, Austin is ripe for more growth in the cooperative sector. Socially and environmentally responsible practices are not just a trend within cooperatives – it's just how they work. That's the cooperative difference.

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