

# Cooperative Business Activity

Worcester Roots Project's TOXIC SOIL BUSTERS CO-OP

8/12/07

## I. Introduction to Co-operatives

a) Most common kinds of co-ops

<p><b>Producer Co-op</b> -farmers, artisans, etc -ex. Ocean Spray (co-op of cranberry farmers) -ex. Sunkist</p>	<p><b>Consumer Co-op</b> -retail, health-care, housing, child-care, -ex. ARTichoke Food Co-op where consumers are member-owners -ex. REI -credit union (members=investor/owners)</p>	<p><b>Worker Co-op</b> those who do the work are member-owners -ex. Reuse Center Co-op, part of Green Workers Co-op, because your work shouldn't kill you, your community or the earth, -ex. South End Press (publisher in Boston)</p>
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b) How co-ops are different from capitalist corporations

Cooperatives	Capitalist Corporations
Workers/members own business	Investors own corporations
Democratic (consensus or one member, one vote)	Big investors and executives make decisions
Income equity (usually 2 to 1 or less)	Often large income disparity between worker & CEO
Bottom line is people, workers, etc	Bottom line is profit
Cooperates with and supports the community	Very little help to community, often destructive

c) Principles of Worker Co-ops

- Each worker has an equal voice in decisions
- Democratic:
  - a) direct democracy= 1 member, 1 vote... or consensus
  - b) representative with frequent rotation and accountability
- Workers govern, manage and control working conditions of business
- Open and voluntary membership
- Equal or equitable sharing of income, education, training and information
- Contribute socially, economically, environmentally to their communities

d) Benefits of Worker Co-ops

Increased pay	Priority given to worker's pay, collectively decided pay
Job security	More democratic conflict-mediation process, and priority given to retaining job posts
Healthy and safe working conditions	More precautions taken to keep workers safe and healthy (ex. Zanon tile factory in Argentina as capitalist corporation had avg. 4 accidents a month, workers were not allowed regular breaks, now run as co-operatives and they average 1 accident per year).
Education of workers	Political education for workers is an asset instead of a threat as seen by capitalist corporations
Environmental awareness	Often worker-owners are also residents and take their environments seriously.
Funding to community and social justice endeavors	Most cooperatives give 10% of their profits back to the community and support projects that work for justice, not just band-aid charities
Spreads democratic Culture	Shows that a democratic workplace is possible

## II. More resources on Co-operatives:

<http://www.usworker.coop>

<http://www.cdi.coop/>

<http://www.nobawc.org/>

<http://www.greenworker.coop/>

<http://www.agecon.uga.edu/~gacoops/coopinfo.htm>

[http://en.wikipedia.org/wiki/Worker\\_cooperative](http://en.wikipedia.org/wiki/Worker_cooperative)

## III. Activity

- a) **Goal of activity:** To apply knowledge of cooperatives and begin to imagine a practical application of this knowledge in your community.
- b) **How to play:**
  - i. **Form a circle** with your small group, go around with names again if needed.
  - ii. **Review assigned scenario** or **CHOOSE A ONE THAT A GROUP MEMBER BRINGS** (it CAN be a co-op in the works, a real idea, or one made up).
  - iii. **Discuss co-op idea, any discussion questions you find useful, and prepare the following** for a 2-minute TV commercial for your co-op:
    - Business name
    - Product details
    - Where you get your resources
    - Where you will sell your products/services
    - What do you do with the profit (first year? future years?)
  - iv. **Assign roles and rehearse commercial**, make sure each member of the group has a role.
- c) **Performance of commercials:** Each group gets 2 minutes to share their co-op idea in the form of a TV commercial. Get creative, props are allowed and encouraged.
- d) **Judging:** Toxic Soil Busters Co-op and YouthGROW participants will judge each team based on innovation, clarity on above bullet points, and aspects that demonstrate how your business differs from a conventional capitalist corporation (humor also win points).



**Worcester Roots Project ~ Toxic Soil Busters Co-op ~ [www.WorcesterRoots.org](http://www.WorcesterRoots.org)**

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## CHILDCARE

A group of families that all lives on the same street is having a hard time finding child care for their youngest children. All the child care centers they can find either don't have any spots open, or they cost too much money, or they have to pick up their kids before 6 pm, when the moms and dads work until 8 or later. Some of the parents take care of each others' kids when the others are at work, or they stay with their grandparents. One mom runs a small day care out of her house during the week, and works a second job over the weekend. She doesn't charge much but only because she doesn't have a license to be doing this. She could probably get more kids in but is afraid that if people find out what she's doing she'll get in trouble. It costs a lot of money for her to go to the class to get the license, but she is saving up. One of the dads wants to take a new job with better pay, but the hours won't work with the pick up and drop off schedule of the day care center where his kids are now. Most of the time the younger kids stay home with the older kids, but the older kids are getting old enough to work and would like to go out and get jobs for themselves so they'd have their own money. The parents who do have places for their kids at good day care centers have to pay a lot of money for them, so much that they have to work extra just to pay for day care!

Discussion questions:

- What is the problem here that needs to be addressed? Who is being hurt by this problem? Who is being helped by it?
- Who are the people who are trying to solve the problem? Whose needs do they need to keep in mind when coming up with a solution?
- Is there a way that a new cooperative business could solve this problem?
- Why hasn't a regular (non-cooperative) business stepped in to solve the problem?
- Could a co-op do better than a regular business in this situation? Would it be able to give people a better product or service? A better price?
- What do the people involved need to know before they could start a cooperative to solve this problem?

Come up with a 2-minute TV commercial that demonstrates the following Business Details:

- Business name
- Service details
- Where you get your resources
- Where you will sell your products
- What do you do with the profit

## WORKERS

A group of friends all work at the same place, a screen printing company that silk-screens designs onto tee-shirts. The pay is better than they could get at a lot of other jobs, but they have to stand around toxic fumes all day from the ink, and people sometimes feel sick from the smell. Sometimes people stay home from work because they can't stand the smell, and then the orders are late getting to the customers and the business loses money. No one has any health insurance because the owner says it's too expensive. He says if they want health insurance they will have to take a lower wage, which people don't want to do. Lots of people leave this job because of this situation, and they constantly have to train the new people that get hired, which slows everyone down. The owner of the business has said there's a different kind of ink they could use to print shirts that wouldn't make people sick, but it's too expensive and the business can't afford it. The owner is getting old and wants to retire. There are rumors that he's getting ready to sell the business to someone who's going to lower all the wages of the people working there, but no one is really sure what he's going to do.

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## GROCERIES

There is a neighborhood where there is only one grocery store that you can get to without driving. The store is pretty old, dirty, and run down. You can't really get fresh food there – everything is old by the time it makes it to the shelf. One day the newspaper says that the grocery store is closing down. People don't know what's going to happen. It takes more than an hour to get to the next nearest grocery store on the bus. If you have a car you can get there in 20 minutes, but a lot of people don't have cars. Some people think one of the big supermarket chains will buy the old store and move in there, but other people say it's too small and the big chains won't want the space. A lot of people in the group want to try and make a big chain supermarket move in because the food will be fresher and there will be more jobs there for people in the neighborhood. But one person who lives nearby has a cousin in another city where this happened and she said the supermarket there only paid people minimum wage, with no benefits, when they told people there would be lots of good jobs that paid a lot.

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## AGRICULTURE

There are five or six small dairy farmers that have been selling the milk from their cows to a small ice cream factory in New England for many years. The factory is being bought out by a national brand of ice cream, and the corporation that's going to be the new owner says they're not going to buy milk from small farmers any more, only big ones. They say it's more efficient and keeps their costs down if they don't have to deal with so many little suppliers, even if it means the milk they're buying will not have to be trucked in from as far away as the Midwest. The farmers are very scared because it looks like they're losing their biggest customer, which would probably put them all out of business. The small farmers have started getting together to see if there's anything they can do. Some want to start their own ice cream factory and create a local brand of ice cream to compete with the national brand. Others think that if they pooled together all the milk from their small farms, then maybe the big ice cream company would just treat them like one big farm instead of a bunch of little ones. Some farmers think this is part of a larger trend away from family farms and wonder, why fight it at all? They want to just sell their farms and get out of the dairy business altogether.

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## HOUSING

The cost of housing has been going up and up for 10 years or so. The price of homes for sale or rent has gotten so high that regular people are paying more than half their income in rent, and there's really no chance of buying a house because the banks won't give people mortgages big enough to buy any houses that are for sale. Plus, they want big down payments, and it's impossible to save the money for the down payment while people are paying so much money for rent. There are two families with kids that go to school together, and they have been friends for a long time. Both families have been saving money for a long time, hoping to have enough to buy a house or condominium apartment, but the more they save, the more the prices go up, and they can never afford to buy anything. One of the families has noticed that if you look at the three-decker apartment buildings, they are much more affordable than buying three separate houses! The problem is, you have to get an even bigger mortgage and come up with an even bigger down payment, which is just impossible for one family to do alone. These two families have gotten the idea that they could find a third family and try to buy a three-decker together, but they're not sure the mortgage companies and real estate agents will take them seriously.

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