



## **United States Worker Cooperative Federation, 3<sup>rd</sup> Biennial National Conference**

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### **Worker Co-op Gathering Highlights Sector Innovations**

Approximately 200 worker co-op member-owners and technical assistance providers came together for the third national conference of the United States Federation of Worker Cooperatives, held in New Orleans, Louisiana from June 20<sup>th</sup> through June 22<sup>nd</sup>. The conference, which is held every two years, marked the fourth anniversary of the worker co-op federation. This year's event was focused on three primary themes: 1) worker co-op innovations, with a focus on the host city of New Orleans, 2) the contribution of worker co-ops to community building, and 3) international developments.

On the first day of the conference, a panel organized by Jessica Gordon Nembhard of the Center on Race and Wealth at Howard University, labeled "Showcase of Cooperatives," highlighted some emerging worker co-op models. For instance, Tim Huet of Arizmendi, based in the San Francisco Bay Area, discussed his group's efforts to act as a developer of a chain of worker co-ops, based on the example provided by the 40-year old Cheesboard bakery and pizzeria worker co-op in Berkeley. Arizmendi was launched in 1997 to provide development and support for cooperatives to launch new businesses, as well as do meeting facilitation, bookkeeping, and legal work for co-ops. To date, a total of four worker bakery co-ops have been established in the Bay Area. All four Arizmendi co-ops contribute 25% of their profits to the association to support the development of additional worker co-ops. Ultimately, Arizmendi wants to develop worker co-ops other than bakeries and also hopes to expand its operations to other regions.

Josue Revolorio of Women's Action to Gain Economic Security (WAGES), also in the San Francisco Bay Area, has pursued a similar model. Instead of bakeries, the group has developed ecologically friendly household cleaning service co-ops that pay their worker-owners a living wage. Started around the same time as Arizmendi, to date the group has developed three worker co-ops with 30 member-owners with gross sales of over \$1 million. The group likewise anticipates further growth and is aiming to launch three more worker co-ops by 2010.

Melbah Smith of the Mississippi Center for Cooperative Development described her group's effort to assist with the development of a worker-owned cooperative with St. Margaret's Daughters' Nursing Home and its employees in New Orleans. St. Margaret's is a New Orleans faith-based, non-profit nursing home that serves low-income people in the Lower Ninth Ward and St. Bernard Parish. Shut down for two years due to hurricane Katrina, the nursing home reopened in September 2007 and has assisted its workers to develop a new worker co-op, called Lagniappe Lifestyle Service Cooperative (Lagniappe meaning to "give a little bit extra"), which will provide cleaning, laundry and food service to St. Margaret's while also selling those services, along with beauty and barber shop services, to the general public.

On the conference's second day, Omar Freilla of Green Worker Cooperatives, based in New York City's South Bronx, addressed the role of worker co-ops on a broader level. Freilla explained that he accidentally happened upon worker co-ops while he was a community organizer. "What attracted me to co-op in general was this idea about community control. I came out of a social justice movement ... People talk about empowerment, but it is really about control of the fate of our community. It is that same spirit that I find in worker co-ops."

Freilla's group, Green Worker Cooperatives, provides technical assistance and serves as an incubator of new ecologically friendly, for-profit worker co-ops. The group's first co-op, Rebuilders Source, opened this year, and collects and sells construction materials for reuse.

"Everyone knows about the green opportunity," Freilla noted. "What we haven't acknowledged or pushed for is the opportunity for worker co-ops. There is some real cutting edge work that has been happening in the co-op movement. People are very hungry for it and the time is really ripe for it – it is really about building democracy ... Wikipedia shows the trend of where things are going. We really have an opportunity to make things that lower the threshold of the need for management that says, 'You need this much hierarchy to get things done'."

On the last day of the conference the focus was on building the co-op movement internationally. Speakers included Aaron Dawson and Lisa Russell from Equal Exchange, a Massachusetts-based worker cooperative that has 85 worker-owners, \$30 million in annual sales, and which works with 40 small-scale farmer co-ops in 20 countries. Dawson and Russell noted that many business that sell "fair trade" products would not necessarily meet the same "fair trade" standards they apply to others. A key reason Equal Exchange was set up as a worker co-op was because the founding members did not feel it was fair to demand that coffee farmers be organized in co-ops, unless they were a co-op themselves. Dawson and Russell also challenged worker co-ops in attendance to adopt fair trade purchasing practices. Involvement in fair-trade, they argued, provides a way "to show that ethics is at the heart and core of cooperative distinctiveness."

Sabine Kienzl from the Embassy of Venezuela discussed the role of cooperatives under President Hugo Chavez, who has made worker cooperatives a central component of his government's "Bolivarian" mixed economy model. Kienzl noted that the number of cooperatives in Venezuela once was fewer than 1,000, but now totals over 200,000, with co-ops providing 14% of Venezuelan GDP and 18% of employment. Central to the growth of cooperatives in Venezuela was the passage in 2001 of Venezuela's Special Law of Cooperative Association, which commits the government to support cooperatives with preferential state contracting, direct tax exemption, access to financing, and technical assistance.

While worker co-ops in the United States remain a small sector, as Executive Director Melissa Hoover noted, "The movement is getting to be at the stage where it can think about growth." The next few years may show whether worker co-ops can take advantage of the promise noted by Hoover, Freilla, and others.

*For more information on the United States Federation of Worker Cooperatives, see:*  
[www.usworker.coop](http://www.usworker.coop).