



## **Co-op Educators Gather in Cleveland to Discuss New Co-op Development**

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The Association of Cooperative Educators, an association of co-op educators in Canada, the United States, and Puerto Rico, gathered in Cleveland, Ohio, to discuss trends in co-op education and new co-op development. Titled, “Crossroads: Choosing Cooperation,” the conference focused on what appears to be the beginning of a new wave of co-op development.

David Korten, author of *The Great Turning* and a founder of the magazine *Yes!* delivered the opening keynote address. “The times have changed,” Korten said. “The imperative for transformational change is increasingly obvious.” As a result, Korten added, “We have rethought our role at Yes! We now see our role as advancing the powerful ideas that are defining the new mainstream. It’s a major shift. I sense that the cooperative movement is going through a similar transition: seek to define and bring forth a new economy.”

Developing systemic solutions, Korten argued, required three principal steps: 1) Change the cultural stories about the economy; cooperative education, he said, had an important role to play there; 2) Create a new economic reality from the bottom up (such as through the development of new cooperatives) and; 3) “Change the rules of the game to favor community-rooted, environmentally responsible enterprise” through public policy. Economic transformation: requires changing the story of the purpose of wealth,” Korten emphasized. “The large goal,” he said, is to create “a global system that meets people’s basic needs.”

Many of the conference focused in part on the second prong of Korten’s outline – efforts to use cooperatives as community development tools. Jim Anderson of the Ohio Employee Ownership Center discussed Evergreen Cooperative Laundry, which is the first of a network of green worker cooperatives that provide goods and services for area university and hospitals and which are being developed with the aim of transforming some of Cleveland’s poorest neighborhoods [The Democracy Collaborative is a partner in this project; for more detail; see: [www.community-wealth.org/cw-in-action.html](http://www.community-wealth.org/cw-in-action.html)]. In his remarks, Anderson emphasized that, “while outside management and technical expertise may be needed in the start-up phase, our goal is to have the cooperative member-owners lead the companies within three years.”

The following morning, Heather McCulloch of Asset Building Strategies discussed her work with the Annie E. Casey Foundation on shared ownership – the idea that collectively owned business can be a tool to build wealth in low-income communities. “In less than four years,” McCulloch said the concept “went from a vague idea to the Evergreen cooperatives. It is perfect embodiment of the synergies between these movements. Building assets for families and individuals—and building communities.”

Another innovative co-op development highlighted was the creation of the multi-stakeholder Producers & Buyers Co-op, which links local, sustainable farms with institutional buyers in a twelve-county area of West Central Wisconsin. Rick Beckler, Director of Hospitality at Sacred Heart Hospital in Eau Claire, Wisconsin explained how the creation of the co-op provided a critical mechanism for breaking down the distrust between the hospital and local farmers, so that the hospital could obtain the local fresh produce it wanted when it wanted and farmers could be confident that the hospital would fulfill its purchasing promises. Beckler pointed out that, in addition to the community economic development benefits of supporting local farmers, there was an important safety factor behind the hospital's decision to buy more food locally. "Health problems can be tracked much more quickly when you buy local," said Beckler. Beckler also quoted Steve Rodstrom: CEO of the hospital, who put the hospital's position this way in a newspaper opinion column: "Local food is good medicine for our health and economy."

Michael Peck, representing the Mondragón Cooperative Corporation based in the Basque Country region of Spain, brought an international perspective. Mondragón is the world's largest network of worker cooperatives. The scale that Mondragón has achieved is impressive. As Peck mentioned, this includes 100,000 workers and €17 billion in sales in 2009. "We own our own cooperative university, bank, social security mutual, are ranked as the top Basque business group, and the seventh largest industrial group in Spain," Peck noted. Peck has served as Mondragón's "North American" delegate for the past ten years and is currently part of an effort to develop hybrid "union-co-ops" in cooperation with the United Steelworkers' union. "This is not the Basque Region, this is not 1956, and all politics are local. We have to come up with combinations that resonate locally while being true to our principles," Peck noted. "We are doing it step by step," Peck added. "We would rather be slow than make a mistake ... [but] we are going to have a nucleus team and this team is going to create an Evergreen in Pittsburgh – we think Mondragón should be in the middle of that."

John Flory, Special Projects Director of the Latino Economic Development Center, discussed another co-op model — the Cooperativa Mercado Central in Minneapolis. Flory said the development of the co-op happened organically, as Latino vendors proposed the idea of operating their businesses jointly in one common market, a "common way of doing business in Latin America" as Flory noted. It became clear, Flory said that the vendors wanted to be the owners of the building. This, Flory, said, "led to discussion of the entity that would own the building" which led to the decision to form a cooperative. The "step to form the cooperative was a very important step that coincided with the values of the community organizers," Flory noted. The vendors did not want to "just be recipients of nonprofit services." The result, added Flory, was a "much different model of community development." Indeed, the success of the Cooperativa Mercado Central has led to efforts to replicate the "public market" model of development in other cities, with Flory's group holding workshops with community groups in San Francisco, Portland (OR), and Washington, D.C. in the last two years.

New co-op development was a major theme of the conference, but broader topics in co-op education also received prominent billing. Ian McPherson, founder of the British Columbia Institute of Co-operative Studies discussed a project that he is working on called *Cooperatives and Peace: Why Do They Connect*, which aims to incorporate a number of stories about how cooperation can serve as a medium for conflict resolution as well as business development.

Ann Reynolds, of the University of Wisconsin Center for Cooperatives, discussed preliminary findings from a study that aims to evaluate the effect of different governance practices on co-op behavior and performance. David A. H. Brown of Ontario-based Brown Governance, highlighted the importance of focusing board attention on communicating with management regarding its risk tolerance and overall corporate strategy. Murray Feldman of the University of Saskatchewan noted that while start-ups are inspiring, it is also important to learn from past shortfalls. In a study co-edited with Brett Hueth, Feldman and Hueth found three main causes for past co-op terminations: 1) Poor management and oversight; 2) cases where the members shut down the co-op to “cash out”; and 3) co-ops with poor governance structures. By contrast, Vera Goussaert of Assiniboine Credit Union in Winnipeg presented an example of co-op governance success, in which the credit union, Canada’s eighth largest, has used a wide range of tools (surveys, calls for board nominations, newsletters, and community outreach) to help make co-op membership and ownership meaningful, even in a large credit with 110,000 member-owners.

The concluding conference session returned its gaze to the future. Roy Messing and Bob Cohen discussed recent developments at the Ohio Employee Ownership Center, which, in addition to its work with the Evergreen Cooperatives in Cleveland, is also launching a “farm succession planning” program, which aims to use cooperatives as a mechanism to preserve existing local farms. In the next 15 years, there will be an “unprecedented transfer of land” due to the age of most farmers, Cohen mentioned. Ming Wei Huang of North American Students of Cooperation (NASCO) talked about the importance of promoting inclusion if the co-op movement is to be successful in organizing among younger — and often more racially and ethnically diverse — populations. Huang noted that there are invisible cultural structures or barriers that can “make co-ops inaccessible to people” and encouraged conference attendees to think of ways to break down those barriers.

*For more information on the Association of Cooperative Educators, see: <http://www.ace.coop>.*