

**SPECIAL COLLABORATION WITH
GRASSROOTS ECONOMIC ORGANIZING:
ORGANIZING TOWARD AN ECONOMY
OF COOPERATION AND SOLIDARITY**



ANTI-DISPLACEMENT PROJECT

LEE HUTCHINS,
A-DP VICE
PRESIDENT

OTHER ECONOMIES ARE POSSIBLE!

BY ETHAN MILLER

Can thousands of diverse, locally-rooted, grassroots economic projects form the basis for a viable democratic alternative to capitalism? It might seem unlikely that a motley array of initiatives such as worker, consumer, and housing cooperatives, community currencies, urban gardens, fair trade organizations, intentional communities, and neighborhood self-help associations could hold a candle to the pervasive and seemingly all-powerful capitalist economy. These “islands of alternatives in a capitalist sea” are often small in scale, low in resources, and sparsely networked. They are rarely able to connect with each other, much less to link their work with larger, coherent structural visions of an alternative economy.

Indeed, in the search for alternatives to capitalism, existing democratic economic projects are frequently painted as noble but marginal practices, doomed to be crushed or co-opted by the forces of the market. But is this inevitable? Is it

possible that courageous and dedicated grassroots economic activists worldwide, forging paths that meet the basic needs of their communities while cultivating democracy and justice, are planting the seeds of another economy in our midst? Could a process of horizontal networking, linking diverse democratic alternatives and social change organizations together in webs of mutual recognition and support, generate a social movement and economic vision capable of challenging the global capitalist order?

To these audacious suggestions, economic activists around the world organizing under the banner of *economía solidaria*, or “solidarity economy,” would answer a resounding “yes!” It is precisely these innovative, bottom-up experiences of production, exchange, and consumption that are building the foundation for what many people are calling “new cultures and economies of solidarity.”

This special section, co-produced with Grassroots Economic Organizing, appeared in the July/August 2006 issue of *Dollars & Sense* magazine. *Dollars & Sense* explains the workings of the U.S. and international economies and provides left perspectives on current economic affairs. It is edited by a collective of economists, journalists, and activists committed to social justice and economic democracy. To order copies of this issue or to subscribe, visit www.dollarsandsense.org or call 617-447-2177.

Origins of the Solidarity Economy Approach

The idea and practice of “solidarity economics” emerged in Latin America in the mid-1980s and blossomed in the mid to late 90s, as a convergence of at least three social trends. First, the economic exclusion experienced by growing segments of society, generated by deepening debt and the ensuing structural adjustment programs imposed by the International Monetary Fund, forced many communities to develop and strengthen creative, autonomous and locally-rooted ways of meeting basic needs. These included initiatives such as worker and producer cooperatives, neighborhood and community associations, savings and credit associations, collective kitchens, and unemployed or landless worker mutual-aid organizations.

Second, growing dissatisfaction with the culture of the dominant market economy led groups of more economically privileged people to seek new ways of generating livelihoods and providing services. From largely a middle-class “counter-culture”—similar to that in the United States since the 1960’s—emerged projects

key elements of alternative social organization.

At the First Latin Encuentro of Solidarity Culture and Socioeconomy, held in 1998 in Porto Alegre, Brazil, participants from Brazil, Mexico, Argentina, Peru, Nicaragua, Bolivia, Colombia, and Spain created the *Red latinoamericana de la economía solidaria* (Latin American Solidarity Economy Network). In a statement, the Network declared, “We have observed that our experiences have much in common: a thirst for justice, a logic of participation, creativity, and processes of self-management and autonomy.” By linking these shared experiences together in mutual support, they proclaimed, it would be possible to work toward “a socioeconomy of solidarity as a way of life that encompasses the totality of the human being.”

Since 1998, this solidarity economy approach has developed into a global movement. The first World Social Forum in 2001 marked the creation of the Global Network of the Solidarity Socioeconomy, fostered in large part by an international working group of the Alliance for a Responsible, Plural, and United World.

What really sustains us when factories shut down, when floodwaters rise, or when the paycheck is not enough? We often survive by self-organized relationships of care, cooperation and community.

such as consumer cooperatives, cooperative childcare and health care initiatives, housing cooperatives, intentional communities, and ecovillages.

There were often significant class and cultural differences between these two groups. Nevertheless, the initiatives they generated all shared a common set of operative values: cooperation, autonomy from centralized authorities, and participatory self-management by their members.

A third trend worked to link the two grassroots upsurges of economic solidarity to each other and to the larger socioeconomic context: emerging local and regional movements were beginning to forge global connections in opposition to the forces of neoliberal and neocolonial globalization. Seeking a democratic alternative to both capitalist globalization and state socialism, these movements identified community-based economic projects as

By the time of the 2004 World Social Forum in Mumbai, India, the Global Network had grown to include 47 national and regional solidarity economy networks from nearly every continent, representing tens of thousands of democratic grassroots economic initiatives worldwide. At the most recent World Social Forum in Venezuela, solidarity economy topics comprised an estimated one-third of the entire event’s program.

Defining Solidarity Economics

But what exactly is this “solidarity economy approach”? For some theorists of the movement, it begins with a redefinition of economic space itself. The dominant neoclassical story paints the economy as a singular space in which market actors (firms or individuals) seek to maximize their gain in a context of scarce resources. These actors play out their profit-seeking dramas on a

COOPERATIVES IN THE UNITED STATES: COLORS

The emerging movement for a **solidarity economy** has many faces and takes many forms. Despite their **near-invisibility** in the mainstream media, **thousands of grassroots** solidarity economy initiatives are sprouting and thriving across the U.S. and throughout the world. Here we highlight just a few **inspiring** examples of projects in the U.S. that are working to **reclaim the power of citizens** and communities **to build just, democratic and sustainable livelihoods.**

COLORS: A New Democratic Worker Cooperative Restaurant Challenges the Industry

By John Lawrence

In the fall of 2005, COLORS restaurant opened in the heart of Greenwich Village, in New York City. In an elegant setting with Bauhaus and Art Deco touches, COLORS offers a creative seasonal menu based on favorite family recipes of its staff, who hail from 22 countries.

More than an excellent restaurant, however, COLORS is one part of a labor struggle to revolutionize the New York restaurant industry (see “Immigrant Restaurant Workers Hope to Rock New York,” *Dollars & Sense*, Jan/Feb 2004). The restaurant is a democratic worker cooperative, founded by former workers of the Windows on the World restaurant (located on the top floor of the World Trade Center until 9-11), with help from the Restaurant Opportunities

stage wholly defined by the dynamics of the market and the state. Countering this narrow approach, solidarity economics embraces a plural and cultural view of the economy as a complex space of social relationship in which individuals, communities, and organizations generate livelihoods through many different means and with many different motivations and aspirations—not just the maximization of individual gain. The economic activity validated by neoclassical economists represents, in this view, only a tiny fraction of human efforts to meet needs and fulfill desires.

What really sustains us when the factories shut down, when the floodwaters rise, or when the paycheck is not enough? In the face of failures of market and state, we often survive by self-organized relationships of care, cooperation, and community. Despite the ways in which capitalist culture generates and mobilizes a drive toward competition and selfishness, basic practices of human solidarity remain the foundation upon which society and community are built. Capitalism's dominance may, in fact, derive in no small part from its ability to co-opt and colonize these relationships of cooperation and mutual aid.

In expanding what counts as part of “the economy,” solidarity economics resonates with other streams of contemporary radical economic thought. Marxist economists such as Stephen Resnick and Richard Wolff, for example, have suggested that multiple “modes of production” co-exist alongside the capitalist wage-labor mode. Feminist economists have demonstrated how neoclassical conceptions have hidden and devalued basic forms of subsistence and caregiving work that are often done by women. Feminist economic geographer J.K. Gibson-Graham, in her books *The End of Capitalism (As We Knew It)* (1998) and *A Postcapitalist Politics* (2006), synthesizes these and other streams of thought in what she calls the “diverse economies perspective.” Addressing concerns that are central to the solidarity economy approach, she asks, “If we viewed the economic landscape as imperfectly colonized, homogenized, systematized, might we not find openings for projects of noncapitalist invention? Might we not find ways to construct different communities and societies, building upon what already exists?”

Indeed, the first task of solidarity economics is to identify existing economic practices—often invisible or marginal to the

THE DATA COMMONS PROJECT

The Data Commons Project is a collaborative effort between a diverse array of organizations in the U.S. and Canada who share a mission of building and supporting the development of a democratic and cooperative economy. The goal is to collectively develop an accurate, comprehensive, public database of cooperative & solidarity-based economic initiatives in North America as a tool for democratic economic organizing. The project is working to achieve this goal through two interrelated tasks:

- 1) Creating a shared “data commons” between multiple organizations, built from existing models of open information-sharing, and involving a merger of separate organizational databases into a commonly-shared data pool.
- 2) Launching a free, public web-interface to this data commons, as a tool that can be used by many organizations and individuals working for a cooperative economy. With such an interface, users will be able to run searches by initiative name, geographical location, type of initiative or business, and product/service, as well as to add and update directory listings themselves (thus being a “self-editing directory”).

Current collaborators in this project include Grassroots Economic Organizing (GEO), the U.S. Federation of Worker Cooperatives (USFWC), North American Students of Cooperation (NASCO), Cooperative Development Institute (CDI), the Regional Index of Cooperation (REGINA), Southern Appalachian Center for Cooperative Ownership (SACCO), and worker-owners from Sligo Computer Services and the Brattleboro Tech Collective.

To learn more about the Data Commons Project, or to find out how you can get involved, please contact Ethan Miller, project coordinator, by phone: (207) 946-4478 or by email: directory@geo.coop.

dominant lens—that foster cooperation, dignity, equity, self-determination, and democracy. As Carola Reintjes of the Spanish fair trade association *Iniciativas de Economía Alternativa y Solidaria* (IDEAS) points out, “Solidarity economy is not a sector of the economy, but a transversal approach that includes initiatives in all sectors.” This project cuts across traditional lines of formal/informal, market/non-market, and social/economic in search of solidarity-based practices of production, exchange and consumption—ranging from legally-structured worker cooperatives, which engage the capitalist market with cooperative values, to informal affinity-based neighborhood gift networks. (See “A Map of the Solidarity Economy,” pp. 20-21.) At a 2000 conference in Dublin

Center (ROC-NY), a workers' center established in 2002.

New York's famed restaurant industry is built on exploited immigrant labor, according to a study commissioned by ROC-NY. Only 20% of restaurant jobs pay a livable wage of \$13.47 an hour or higher. Ninety percent of workers have no employer-sponsored health coverage. Immigrants of color are usually in low-paying back house jobs like dishwasher, food preparer, and line cook. Thirty-three percent of those surveyed “reported experiencing verbal abuse on the basis of race, immigration status, or language.” Other illegal labor practices are common, such as work “off the clock,” overtime, and minimum-wage violations, and health and safety code violations.

COLORS aims to be different. The minimum salary for back house worker-owners is \$13.50 an hour. Front house worker-owners are paid minimum wage plus tips. Tips are split more equitably among the various occupations than the industry standard. In addition, every worker-

COLORS STAFF: EVERY WORKER-OWNER HAS A BENEFITS PACKAGE THAT INCLUDES HEALTH INSURANCE, PAID VACATION, AND A PENSION.



COLORS

on the “Third Sector” (the “voluntary” sector, as opposed to the for-profit sector and the state), Brazilian activist Ana Mercedes Sarría Icaza put it this way: “To speak of a solidarity economy is not to speak of a homogeneous universe with similar characteristics. Indeed, the universe of the solidarity economy reflects a multiplicity of spaces and forms, as much in what we would call the ‘formal aspects’ (size, structure, governance) as in qualitative aspects (levels of solidarity, democracy, dynamism, and self-management).”

At its core, solidarity economics rejects one-size-fits-all solutions and singular economic blueprints, embracing instead a view that economic and social development should occur from the bottom up, diversely and creatively crafted by those who are most affected. As Marcos Arruda of the Brazilian Solidarity Economy Network stated at the World Social Forum in 2004, “a solidarity economy does not arise from thinkers or ideas; it is the outcome of the concrete historical struggle of the human being to live and to develop him/herself as an individual and a collective.” Similarly, contrasting the solidarity economy approach to historical visions of the “cooperative commonwealth,” Henri de Roche noted that “the old cooperativism was a utopia in search of its practice and the new cooperativism is a practice in search of its utopia.” Unlike many alternative economic projects that have come before, solidarity economics does not seek to build a singular model of how the economy should be structured, but rather pursues a dynamic process of economic organizing in which organizations, communities, and social movements work to identify, strengthen, connect, and create democratic and liberatory means of meeting their needs.

Success will only emerge as a product of organization and struggle. “Innovative practices at the micro level can only be viable and structurally effective for social change,” said Arruda, “if they interweave with one another to form always-broader collaborative networks and solidarity chains of production-finance-distribution-consumption-education-communication.” This is, perhaps, the heart of solidarity economics—the process of networking diverse structures that share common values in ways that strengthen each. Mapping out the economic terrain in terms of “chains of solidarity production,” organizers can build relation-

ships of mutual aid and exchange between initiatives that increase their collective viability. At the same time, building relationships between solidarity-based enterprises and larger social movements builds increased support for the solidarity economy while allowing the movements to meet some of the basic needs of their participants, demonstrate viable alternatives, and thus increase the power and scope of their transformative work.

In Brazil, this dynamic is demonstrated by the Landless Workers Movement (MST). As a broad, popular movement for economic justice and agrarian reform, the MST has built a powerful program combining social and political action with cooperative, solidarity-based economics. From the establishment of democratic, cooperative settlements on land re-appropriated from wealthy absentee landlords to the development of nationwide, inter-settlement exchanges of products and services, networks of economic solidarity are contributing significantly to the sustenance of more than 300,000 families—over a million people. The Brazilian Solidarity Economy Forum, of which the MST is a part, works on an even broader scale, incorporating twelve national networks and membership organizations with twenty-one regional Solidarity Forums and thousands of cooperative enterprises to build mutual support systems, facilitate exchanges, create cooperative incubator programs, and shape public policy.

Building a Movement

The potential for building concrete local, national, and even global networks of solidarity-based support and exchange is tremendous and yet barely realized. While some countries, notably Brazil, Argentina, Colombia, Spain, and Venezuela, have created strong solidarity-economy networks linked with growing social movements, others have barely begun. The United States is an example. With the exception of the Rural Coalition/*Coalición Rural*, a U.S.-Mexico cross-border agricultural solidarity organization, the United States has been nearly absent from global conversations about solidarity economics. Maybe it’s harder for those in the “belly of the beast” to imagine that alternatives to capitalism are possible. Are alternative economic practices somehow rendered more invisible, or more isolated, in the United States than in other parts of the world? Are there simply fewer solidarity-based

owner has a benefits package that includes health insurance, paid vacation, and a pension.

Worker-owner Rosario Ceia, a 10-year veteran of the restaurant industry, says working at COLORS has been a radical change. Besides providing fair wages and benefits to worker-owners, COLORS is democratically organized into eight teams based on occupation—managers, line cooks, prep cooks, waiters, back waiters (“bus boys”), runners, dishwashers, and hosts. Each team has a representative on the board of directors. Rosario is not only a back waiter, but also treasurer of the board. Everyone participates in decision-making, Rosario emphasized, from adopting bylaws to choosing the restaurant’s design.

Those in management, such as the executive chef, general manager, and wine director, play typical roles in providing needed expertise to the restaurant. In their day-to-day relationship with the other worker-owners, though, they are teammates, not bosses. As an additional safeguard against abusive hierarchy, all non-management worker-owners belong to the Hotel

and Restaurant Employees Union (HERE).

Rosario believes COLORS will benefit all restaurant workers—not only by providing a successful model of “high road” business practices, but by actively advocating for workers in restaurant owners’ association meetings. COLORS also extends its values down the supply chain by supporting fair trade, sustainable agriculture, and local producers.

The venture is also revitalizing an old labor organizing strategy of developing democratic worker cooperatives. The first union in the United States, Knights of Labor, wanted “to establish cooperative institutions such as will tend to supersede the wage-system, by the introduction of a cooperative industrial system.” Perhaps, in addition to challenging an industry, COLORS is modeling a “new” organizing strategy for the 21st-century U.S. labor movement. ■

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initiatives with which to network?

Perhaps. But things are changing. An increasing number of U.S. organizations, researchers, writers, students, and concerned citizens are questioning capitalist economic dogma and exploring alternatives. A new wave of grassroots economic organizing is cultivating the next generation of worker cooperatives, community currency initiatives, housing cooperatives and collectives, community garden projects, fair trade campaigns, community land trusts, anarchist bookstores (“infoshops”), and community centers. Groups working on similar projects are making connections with each other. Hundreds of worker-owners from diverse cooperative businesses across the nation, for example, will gather in New York City this October at the second meeting of the United States Federation of Worker Cooperatives (see p. 9). In the realm of cross-sector organizing, a broad coalition of organizations is working to create a comprehensive public directory of the cooperative and solidarity economy in the United States and Canada as a tool for networking and organizing.

It takes no great stretch of the imagination to picture, within the next five to ten years, a “U.S. Solidarity Economy Summit” convening many of the thousands of democratic, grassroots economic projects in the United States to generate a stronger shared identity, build relationships, and lay the groundwork for a U.S. Solidarity Economy Alliance. Move over, CEOs of the Business Roundtable!

Wishful thinking? Maybe not. In the words of Argentinian economist and organizer Jose Luis Corragio, “the viability of social transformation is rarely a fact; it is, rather, something that must be constructed.” This is a call to action. ■

Ethan Miller is a writer, musician, subsistence farmer, and organizer. A member of the GEO Collective and of the musical collective Riotfolk (www.riotfolk.org), he lives and works at JED, a land-based mutual-aid cooperative in Greene, Maine.

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omy of Solidarity, “Letter from Porto Alegre,” Porto Alegre, Brazil, August 1998, www.socioeco.org; Euclides Mance, “Construindo a socioeconomia solidária no Brasil,” Report from the First Brazilian Meeting on a Culture and Socioeconomy of Solidarity, Rio de Janeiro, June 11-18, 2000; Ethan Miller, “Solidarity Economics: Strategies for Building New Economies from the Bottom-Up and the Inside-Out,” Greene, Maine, May, 2002, www.geo.coop; Carola Reintjas, “What is a Solidarity Economy?” Life After Capitalism Talks, World Social Forum III, Porto Alegre, Brazil, 2003, www.zmag.org/carolase.htm; Harriet Fraad, Stephen Resnick and Richard Wolff, *Bringing It All Back Home: Class, Gender and Power in the Modern Household*, London: Pluto Press, 1994; Workgroup on a Solidarity Socioeconomy, “Exchanging Visions of a Solidarity Economy: Glossary of Important Terms and Expressions,” November, 2005, www.socioeco.org.

WEB RESOURCES

- < www.socioeco.org/en > Alliance for a Responsible, Plural and United World, a workgroup on the Socioeconomy of Solidarity. Currently the most comprehensive source for material in English on solidarity economy theory and practice.
- < www.communityeconomies.org > Community Economies Project, an ongoing collaboration between academic and community researchers and activists in Australia, North America, and Southeast Asia, developing theories and practices around the concept of “diverse economies.”
- < www.trueque-marysierras.org.ar/biblioteca2.htm > A website of one of Argentina’s many barter clubs; a large, excellent library of Solidarity Economy articles in Spanish.
- < www.ecosol.org.br > A cooperative website maintained by a number of supporters of solidarity economy; perhaps the best library of Brazilian Solidarity Economy material available online.

COOPERATIVES IN THE UNITED STATES: THE ANTI-DISPLACEMENT PROJECT

The ANTI-DISPLACEMENT PROJECT By Ajowa Nzinga Ifateyo



A unique community economy built by low-income workers has been evolving in western Massachusetts.

The Anti-Displacement Project (A-DP) in Springfield is a nonprofit that serves as an umbrella for institutions and projects organized by low-income people. The group combines community organizing, social service delivery, and community economic development into a membership-based community association.

“We’re trying to carve out a little political economy,” said Caroline Murray, who has been the group’s executive director for the past 13 years. “We make sure we’re

A-DP WORKER ORGANIZING COMMITTEE MEMBERS TAKE ACTION AGAINST STANDARD PLATING, A LOCAL BUSINESS THAT FORCES DAY LABORERS TO WORK WITH HYDROCHLORIC ACID AND OTHER DANGEROUS CHEMICALS WITHOUT PROVIDING REQUIRED HEALTH AND SAFETY EQUIPMENT.





Venezuela's COOPERATIVE Revolution

BY BETSY BOWMAN AND BOB STONE

Zaída Rosas, a woman in her fifties with 15 grandchildren, works in the newly constructed textile co-op Venezuela Avanza in Caracas. The co-op's 209 workers are mostly formerly jobless neighborhood women. Their homes on the surrounding steep hillsides in west Caracas were almost all self-built.

Zaída works seven hours a day, five days a week, and is paid \$117 a month, the uniform income all employees voted for themselves. This is much less than the minimum salary, officially set at \$188 a month. This was “so we can pay back our [government start-up] loan,” she explained. Venezuela Avanza *cooperativistas* have a monthly general assembly to decide policy. As in most producer co-ops, they are not paid a salary, but an advance on profits. Workers paying themselves less than the minimum wage in order to make payments to the state was, Zaída acknowledged, a bad situation. “We hope our working conditions will improve with time,” she said.

To prepare the co-op's workers to collectively run a business, the new Ministry of Popular Economy (MINEP) had given them small scholarships to train in cooperativism, production, and accounting. “My family is a lot happier—I've learned to write and

have my 3rd grade certificate,” she said.

Zaída is now also part of a larger local web of cooperatives: her factory is one of two producer co-ops, both built by a local bricklayers' cooperative, that, along with a clinic, a supermarket co-op, a school, and a community center, make up a so-called “nucleus of endogenous development.” These *nucleos* are at the core of the country's plan for fostering egalitarian economic development.

U.S. media coverage of Venezuela tends to center around the country's oil and the—not unrelated—war of words between President Hugo Chávez and the White House. Chávez, for example, likes to refer to George W. Bush as “Mr. Danger,” a reference to a brutish foreigner in a classic Venezuelan novel. Somewhat more clumsily, Defense Secretary Donald Rumsfeld recently compared Chávez to Hitler. While this makes for entertaining copy, reporters have missed a major story in Venezuela—the unprecedented growth of cooperatives that has reshaped the economic lives of hundreds of thousands of Venezuelans like Zaída Rosas. On a recent visit to Caracas, we spoke with co-op members and others invested in this novel experiment to open Venezuela's economy from the bottom up.

organizing for power. If it's a tenant group, rather than demand that the landlord fix the toilet, we demand that we own it.”

A-DP started out as a housing advocacy group: organizing tenants, buying apartment complexes, and saving affordable housing from gentrification. While meeting about maintenance problems in their apartments, members realized that they had the skills to do the work themselves. Soon after, a worker's cooperative, United Landscaping and Painting, was born. From there A-DP has continued to expand.

Now, A-DP's community-owned assets, worth \$45 million, include five apartment complexes with a total of 1,400 units, the landscaping and painting cooperative, and three food cooperatives. In partnership with a local union the group is building a

worker center. A-DP oversees one of the largest holdings of tenant-owned housing in the country, and its cooperative businesses contract about \$20 million a year. The organization's greatest asset, however, is its 5,000 families—white, brown, and black low-income people—who fuel the organization by struggling together for a better life.

Next on A-DP's horizon is a possible partnership with the city of Springfield to rehabilitate abandoned houses. The group is also considering taking on predatory lending and starting a credit union. ■

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Explosion of Cooperatives

Our first encounter with Venezuela's co-op movement was with Luis Guacarán, a taxi co-op member who drove us to the outskirts of Caracas. Settled into the rainy trip, we asked Luis what changes wrought by the Chávez government had meant for him personally. Luis replied that he now felt that as a citizen he had a right to share in the nation's oil wealth, which had always gone to an "oligarchy." The people needed health, education, and meaningful work; that was reason enough for Chávez to divert oil revenues in order to provide these things. Two of Luis's five sons are in the military, a daughter is studying petroleum engineering, another has a beauty shop. All were in vocational or professional studies.

Almost everyone we met during our visit was involved in a cooperative. The 1999 constitution requires the state to "promote and protect" co-ops. However, it was only after the passage of the Special Law on Cooperative Associations in 2001 that the totals began to skyrocket. When Chávez took office in 1998 there were 762 legally registered cooperatives with about 20,000 members. In 2001 there were almost 1,000 cooperatives. The number grew to 2,000 in 2002 and to 8,000 by 2003. In mid-2006, the National Superintendence of Cooperatives (SUNACOO) reported that it had registered over 108,000 co-ops representing over 1.5 million members. Since mid-2003, MINEP has provided free business and self-management training, helped workers turn troubled conventional enterprises into cooperatives, and extended credit for start-ups and buy-outs. The resulting movement has increasingly come to define the "Bolivarian Revolution," the name Chávez has given to his efforts to reshape Venezuela's economic and political structures.

Now MINEP is trying to keep up with the explosion it set off. While pre-Chávez co-ops were mostly credit unions, the "Bolivarian" ones are much more diverse: half are in the service sector, a third in production, with the rest divided among savings, housing, consumer, and other areas. Cooperativists work in four major sectors: 31% in commerce, restaurants, and hotels; 29% in transport, storage and communications; 18% in agriculture, hunting, and fishing; and 8.3% in industrial manufacture. Cooperativism is on the march in Venezuela on a scale and at a speed never before seen anywhere.

Most cooperatives are small. Since January 2005, however,

when the government announced a policy of expropriation of closed industrial plants, MINEP has stood ready to help workers take control of some large factories facing bankruptcy. If the unused plant is deemed of "public utility," the initiation of expropriation proceedings often leads to negotiation with the owners over compensation. In one instance, owners of a shuttered Heinz tomato processing plant in Monagas state offered to sell it to the government for \$600,000. After factoring in back wages, taxes, and an outstanding mortgage, the two sides reached an amicable agreement to sell the plant to the workers for \$260,000, with preferential loans provided by the government. In a more typically confrontational example, displaced workers first occupied a sugar refinery in Cumanacoa and restarted it on their own. The federal government then expropriated the property and turned it over to cooperatives of the plant's workers. The owners' property rights were respected inasmuch as the government loaned the workers the money for the purchase, though the price was well below what the owners had claimed. Such expropriated factories are then often run by elected representatives of workers alongside of government appointees.

There are strings attached. "We haven't expropriated Cumanacoa and Sideroca for the workers just to help them become rich people the day after tomorrow," said Chávez. "This has not

Democracy: Economic and Political

Alongside the co-op movement, Venezuelans are engaged in building a new form of local political democracy through so-called Communal Councils. Modeled on Brazil's innovative participatory budgeting process, these councils grew out of the Land Committees Chávez created to grant land titles to the many squatters in Caracas's barrios. If a community of 100 to 200 families organizes itself and submits a local development plan, the government grants land titles. Result: individuals get homes, and the community gets a grassroots assembly.

The councils have budgets and make decisions on a range of local matters. They delegate spokespersons to the barrio and the municipality. Today, a few thousand Communal Councils exist, but within five years the government plans to bring all Venezuelans into local councils. In conjunction with cooperativization in the economy, the Community Council movement may portend the creation of a new decentralized, democratic polity.

COOPERATIVES IN THE UNITED STATES: SOLIDARITY HARVEST

Building A Farmer-Labor Alliance: Solidarity Harvest and Union Supported Agriculture

By Laura Millay, Daphne Loring, and Ethan Miller



Like their counterparts elsewhere across the United States, Maine's industrial workers and small farmers are isolated from one another, engaged in parallel efforts to survive in the face of a corporate-dominated economy. The state's industrial workers have been hit hard by the rapid loss of U.S. manufacturing jobs. Meanwhile, small farmers in the state are losing ground in the face of corporate-centered agricultural trade policy.

"Food AND Medicine," an organization in Brewer, Maine, works to bring these groups together with grassroots action. Modeled on the unemployed workers' unions

JOEL RODRIGUEZ, A-DP LEADER AND NEW MEMBER OF THE CARPENTERS LOCAL 108 WORKING ON UNION CONSTRUCTION JOB SITE AT CATHEDRAL HILL APARTMENTS, A-DP'S MOST RECENT TENANT BUYOUT.



been done just for them—it is to help make everyone wealthy.” Take the case of Cacao Sucre, another sugar mill closed for eight years by its private owners, leaving 120 workers unemployed in a neighborhood of grinding poverty. The state’s governor put out a call for the workers to form a co-op. After receiving training in self-management, the mill co-op integrated with the 3,665-strong cane growers’ co-op. In July 2005, this large cooperative became the first “Social Production Enterprise.” The new designation means that the co-op is required to set aside a portion of its profits to fund health, education, and housing for the local population, and to open its food hall to the community as well.

With only 700 plants on the government’s list of closed or bankrupt candidates for expropriation, cooperativization of existing large-scale facilities is limited, and so far a bit slow. Unions are identifying more underproducing enterprises. But there is a long way to go.

Cooperatives are at the center of Venezuela’s new economic model. They have the potential to fulfill a number of the aims of the Bolivarian revolution, including combating unemployment, promoting durable economic development, competing peacefully with conventional capitalist firms, and advancing Chávez’s still-being-defined socialism.

Not Your Grandfather’s WPA

Capitalism generates unemployment. Neoliberalism aggravated this tendency in Venezuela, producing a large, stable group of overlooked people who were excluded from meaningful work

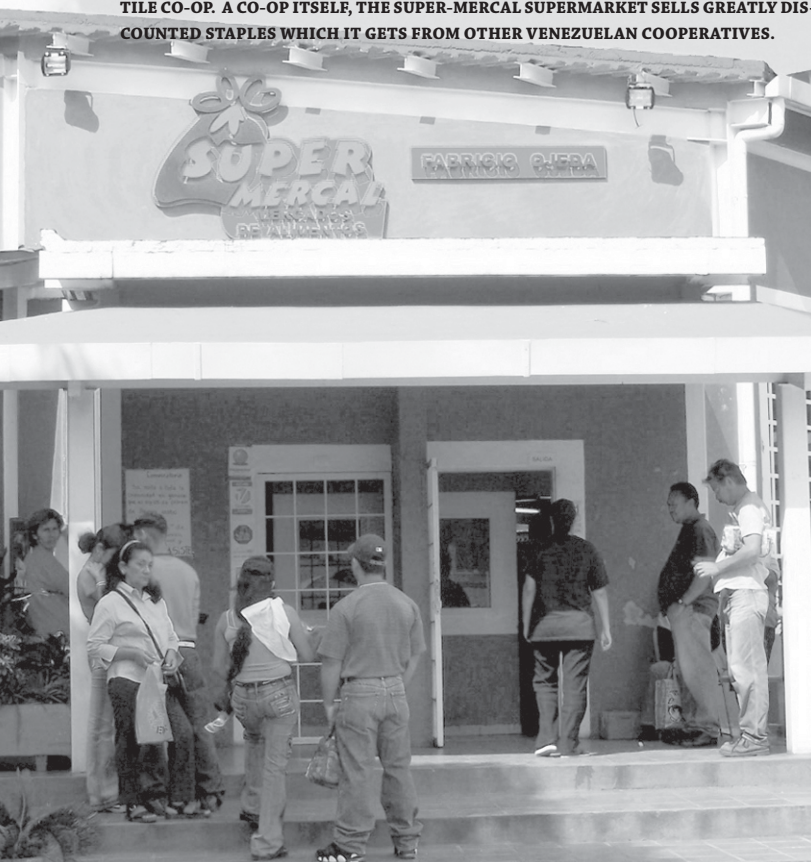
and consumption. If not forgotten altogether, they were blamed for their plight and made to feel superfluous. But the Bolivarian revolution is about demanding recognition. In March of 2004 Chávez called Venezuelans to a new “mission,” when MINEP inaugurated the “*Misión Vuelvan Caras*” program—Mission About-Face. Acting “from within themselves and by their own powers” to form cooperatives, the people were to “combat unemployment and exclusion” by actually “chang[ing] the relations of production.”

In Venezuela, “*vuelvan caras*” evokes an insurgent general’s command to his troops upon being surrounded by Spaniards in the war of independence. In effect: stop playing the role of the pursued; turn and attack the enemy frontally. The new enemy is unemployment, and the goal of full employment is to be achieved by groups—especially of the unemployed—throwing in their lot with each other and setting to work together. *Vuelvan Caras* teaches management, accounting, and co-op values to hundreds of thousands of scholarship students. Graduates are free to seek regular jobs or form micro-enterprises, for which credit is offered; however, co-ops get priority for technical assistance, credits, and contracts. But the original spark—the collective entrepreneurship needed for cooperativization—is to come from the people. Over 70% of the graduates of the class of 2005 formed 7,592 new co-ops.

Vuelvan Caras seems to be paying off. Unemployment reached a high of 18% in 2003 but fell to 14.5% in 2004, and 11.5% in 2005. MINEP is planning a “*Vuelvan Caras II*,” aiming to draw in 700,000 more of the jobless. But with a population of 26 million, Venezuela’s battle against structural causes of unemployment has only begun.

SUPER-MERCAL SUPERMARKET

LOCATED IN WESTERN CARACAS, THIS BRANCH OF A HIGHLY SUCCESSFUL NATIONAL CHAIN IS IN THE SAME NUCLEO “FABRICIO OJEDA” AS THE VENEZUELA AVANZA TEXTILE CO-OP. A CO-OP ITSELF, THE SUPER-MERCAL SUPERMARKET SELLS GREATLY DISCOUNTED STAPLES WHICH IT GETS FROM OTHER VENEZUELAN COOPERATIVES.



Economic Development from Within

Cooperatives also advance the Chávez administration’s broader goal of “endogenous development.” Foreign direct investment continues in Venezuela, but the government aims to avoid relying on inflows from abroad, which open a country to capitalism’s usual blackmail. Endogenous development means “to be capable of producing the seed that we sow, the food that we eat, the clothes that we wear, the goods and services that we need, breaking the economic, cultural and technological dependence that has halted our development, starting with ourselves.” To these

SOLIDARITY HARVEST (continued from pg. 17)

of the 1930’s, the organization was created as a mutual-aid and advocacy group for workers left unemployed by plant closings. The group’s mission is clear: “In the richest country in the world, no one should have to choose either food OR medicine—but that choice is a reality for too many people in our community. Through collaboration between unions, community groups, laid-off workers, local farms, and local businesses, Food AND Medicine works to correct economic inequality and build a more just and sustainable community.”

In 2003, the organization began its Solidarity Harvest program, bringing together local labor unions and farmers in support of laid-off mill workers. More than 34 unions joined together for a July 4th Solidarity Celebration, raising \$6,000 to purchase food from local farmers and create Thanksgiving food baskets for struggling families. Inspired by this work, organic farmers and local businesses

BOB STONE

ends, co-ops are ideal tools. Co-ops anchor development in Venezuela: under the control of local worker-owners, they don't pose a threat of capital flight as capitalist firms do.

The need for endogenous development came home to Venezuelans during the 2002 oil strike carried out by Chávez's political opponents. Major distributors of the country's mostly imported food also supported the strike, halting food deliveries and exposing a gaping vulnerability. In response, the government started its own parallel supermarket chain. In just three years, Mercal had 14,000 points of sale, almost all in poor neighborhoods, selling staples at discounts of 20% to 50%. It is now the nation's largest supermarket chain and its second largest enterprise overall. The Mercal stores attract shoppers of all political stripes thanks to their low prices and high-quality merchandise. To promote "food sovereignty," Mercal has increased its proportion of domestic suppliers to over 40%, giving priority to co-ops when possible. Venezuela still imports 64% of the food it consumes, but that's down from 72% in 1998. By cutting import dependence, transport costs, and middlemen while tapping local suppliers, Mercal aims to wean itself from its \$24 million-a-month subsidy.

Displacing Capitalism and Building Socialism

Another reason the architects of the so-called "Bolivarian revolution" are vigorously pushing the co-op model is their belief that co-ops can meet needs better than conventional capitalist firms. Freed of the burdens of supporting costly managers and profit-hungry absentee investors, co-ops have a financial buoyancy that drives labor-saving technological innovation to save labor time. "Cooperatives are the businesses of the future," says former Planning and Development Minister Felipe Pérez-Martí. Not only are they non-exploitative, they outproduce capitalist firms, since, Pérez-Martí holds, worker-owners must seek their firm's efficiency and success. Such a claim raises eyebrows in

the United States, but a growing body of research suggests that co-ops can indeed be more productive and profitable than conventional firms.

To test whether co-ops can beat capitalist firms on their own terms, a viable co-op or solidarity sector must be set up parallel to the securely dominant capitalist one. Today Venezuela is preparing this "experiment." More than 5% of the labor force now works

in cooperatives, according to MINEP. While this is a much larger percentage of *cooperativistas* than in most countries, it is still small relative to the size of a co-op sector that would have a shot at out-competing Venezuela's capitalist sector. Chávez's supporters hope that once such a sector is launched, cooperativization will expand in a "virtuous circle" as conventional workforces, observing co-ops, demand similar control of their work. Elias Jaua, the initial Minister of Popular Economy, says, "The private sector can understand the process and incorporate itself into the new dynamic of society, or it will be simply displaced by the new productive forces which have a better quality production, a vision based much more

on solidarity than consumption." One could claim that MINEP's credits, trainings, and contracts prejudice the outcome in favor of co-ops. But *Vuelvan Caras* graduates are free to take jobs in the capitalist sector. And MINEP's policy of favoring employee-owned firms is not that different from U.S. laws, subsidies, and tax benefits that favor investor-owned ones.

Finally, by placing the means of production in workers' hands, the co-op movement directly builds socialism. Cooperativization, especially of idle factories occupied by their workforces, promotes "what has always been our goal: that the workers run production and that the governments are also run by the workers," according to Labor Minister Maria Cristina Iglesias. Co-ops, then, are not just means to what Chávez calls "socialism for the 21st century": they actually constitute partial realizations of it.

continued on page 22

“What Venezuela is doing is only a test run, an experiment. Like all experiments it needs monitoring, oversight, on how it is doing ... and so our experiment is open to all of the other wonderful experiments that are now happening in the world.”

**-Hugo Chávez,
2005 World Social Forum**

responded by donating more food and resources to the project. Solidarity Harvest has grown each year and now supplies healthy food to families of unemployed workers throughout the summer and fall.

More recently, a new model of farmer-labor solidarity has emerged from the relationships built through Solidarity Harvest. Union Supported Agriculture (USA) is modeled after the concept of Community Supported Agriculture (CSA). Union members support farmers in the spring with the purchase of a farm share—an upfront payment \$275, or \$20 per week of the 14-week summer program. This initial money helps farmers buy seed and keep the farm running until harvest begins. Then, each week from July through October, the farmers deliver shares of fresh organic produce to convenient pick-up locations for USA members. Union members get back more than their money's worth: in 2005, a \$275 share provided more than \$330

of food. Shares are also donated through Solidarity Harvest to families of laid-off and striking workers.

Through both Solidarity Harvest and Union Supported Agriculture, Maine's labor unions have become a base for "solidarity consumption." At the same time, local farmers have become a base of support for union organizing by providing affordable, healthy food to working families. As these relationships grow, so can the opportunities for community education about shared struggles and visions. ■

To support these efforts at building a farmer-labor alliance, contact Laura Millay of the USA Program: 207-266-8064 or laura@foodandmedicine.org.

Laura Millay is an organic farmer at King Hill Farm in Penobscot, Maine, and a coordinator of the Solidarity Harvest and Union Supported Agriculture projects. Daphne Loring is a recent graduate of the College of the Atlantic and coordinator of education for the Union Supported Agriculture program.

VENEZUELA'S COOPERATIVE REVOLUTION

continued from page 19

Managing the Experiment's Risks

Cooperativization is key to achieving the aims of the Bolivarian revolution. But the revolution's leaders acknowledge that a long struggle lies ahead. Traditional capitalist enterprises still dominate Venezuela's economy. And even if all of the country's current cooperativization programs succeed, will that struggle—and it will be a struggle—result in socialism? Michael Albert of *Z Magazine* grants that co-ops may be more productive, and he strongly supports Venezuela's experiment. But in the absence of plans for de-marketization, he has doubts that it will reach socialism. For the effect on cooperatives themselves of “trying to out-compete old firms in market-defined contests may [be to] entrench in them a managerial bureaucracy and a competitive rather than a social orientation,” leading to a market socialist system “that still has a ruling managerial or coordinator class.” Albert's concern is well founded: the history of co-ops from the Amana colonies of Iowa to the Mondragón Cooperative Corporation in the Basque country shows that even when they start out with a community-service mandate, individual co-ops, or even networks of co-ops, tend to defensively re-internalize capitalist self-seeking and become indistinguishable from their competitors when made to compete alone against an array of capitalist firms in a capitalist economy.

Disarmingly, members of Chávez's administration acknowledge these risks. Juan Carlos Loyo, deputy minister of the popular economy, noting that community service has been part of the cooperative creed since its beginning, asks for patience: “We know that we are coming from a capitalist lifestyle that is profoundly individualistic and self-centered.” Marcela Maspero, a national coordinator of the new, Chavista UNT labor federation, acknowledges “the risk of converting our comrades into neo-liberal capitalists.” In Venezuela's unique case, however, construction of a viable co-op sector is the goal of a government with considerable financial resources, and its aim of thereby building socialism is also a popular national project. In Venezuela, success is therefore a plausible hope. A loose analogy would hold with May 1968 if both the de Gaulle government and the French Communist Party had been in favor of student-worker demands for “*auto-gestion*”

or self-management.

There are problems, of course. Groups may register as “phantom co-ops” to get start-up grants, then simply walk away with the money. And since co-ops are favored in awarding government contracts, there is a significant amount of fraud. “There are cooperatives that are registered as such on paper,” Jaua, the former head of MINEP, reports, “but which have a boss who is paid more, salaried workers, and unequal distribution of work and income.” SUNACOOOP admits that its enforcement is spotty. Many of the new cooperatives have also suffered as a result of inadequate self-management training. Government authorities are attempting to address these problems by increasing visits to local co-ops, augmenting training and support services, and decentralizing oversight to local councils.

Despite the obstacles, the new co-ops, with government support, are building a decentralized national movement with its own momentum and institutions. This May, the National Executive Cooperative Council (CENCOOP) was launched. The council is made up of five co-op members from each of Venezuela's 25 states, elected by their State Cooperative Councils, which are in turn elected by Municipal Councils composed of local cooperativists. CENCOOP will represent Venezuela at the International Cooperative Alliance—the global body embracing 700 million individual members in hundreds of thousands of cooperatives in 95 countries.

The pre-Bolivarian co-op movement at first felt left out, and criticized hasty cooperativization. But its advice was sought at each stage of the planning for CENCOOP, and it finally joined the council, sharing its valuable experience with the new movement. The new state and municipal co-op councils are part of a plan to decentralize MINEP's functions. Having helped organize CENCOOP, MINEP Superintendent Carlos Molina says his office will adopt a hands-off approach to assure the cooperative movement's increasing autonomy. Today, however, many of the new co-ops remain dependent on MINEP's support.

A Movement's Opponents

Whatever success cooperativization achieves carries its own risks, both internal and external. So far, the Chávez government has compensated capitalists for expropriations and has targeted for co-op conversion only firms that are in some sense in trou-

COOPERATIVES IN THE UNITED STATES: FEDERATION OF SOUTHERN COOPERATIVES' DISASTER RELIEF PROGRAM

Federation of Southern Cooperatives' Disaster Relief Program

By Cornelius Blanding



Hurricane Katrina presented rural communities in the South with an enormous challenge. The storm destroyed thousands of acres of cropland and demolished already inadequate rural infrastructure. Farmers saw their most reliable markets disappear as millions fled from urban centers. City dwellers escaped to rural communities where they found themselves displaced not only from their homes and communities, but also from their careers.

Within three days of the storm, staff from the Federation of Southern Cooperatives/Land Assistance Fund were on the ground, making assessments and distributing relief supplies. As relief efforts continued, the federation, with the help of its network

and partnerships, coordinated the delivery of thousands of pounds of supplies. Now, with rebuilding underway in most areas, the federation continues to work with rural communities and black farmers to build a successful long-term recovery.

Founded in 1967, the federation is a nonprofit service and advocacy association working to save black-owned farmlands and organizing cooperatives to meet the needs of rural communities. Its 20,000 low-income, rural families are organized into more than 75 cooperatives, credit unions, and community-based economic development groups across the South.

The federation now runs a disaster assessment and response team and six community centers in the affected areas to provide on-going relief, computer-assisted literacy, and job-skills training, self-help housing aid, and, with the help of the federation's partners, workshops in cooperative development. Staff members on the ground in Alabama, Mississippi, and Louisiana are working to organize credit



206 WOMEN & 3 MEN SEWING IN A TEXTILE CO-OP IN CARACAS.

THE WORKERS THEMSELVES SUPERVISE THE PACE OF THEIR SEWING WORK. ALL ARE MEMBERS OF THE CO-OP AND VOTE ON ALL FACTORY POLICIES AND LEADERSHIP. THE CO-OP IS PART OF A "NUCLEUS OF ENDOGENOUS DEVELOPMENT" CONTAINING A SHOE CO-OP, A SUPERMARKET, A CLINIC, A SCHOOL AND A COMMUNITY CENTER. ALL WERE BUILT WITH OIL REVENUES BY A LOCAL CONSTRUCTION COOPERATIVE AND ARE BEING TURNED OVER TO LOCAL NEIGHBORHOOD COMMITTEES FOR MANAGEMENT.

ble. But at a certain point, workers in healthy firms, seeing their cooperativist neighbors enjoying newfound power in the workplace and a more equal distribution of income, may want to cooperativize their firms too. And having for years had profit extracted as a major portion of the value their labor has created—in many cases enough to cover their firm's market value many times over—won't they have grounds to demand transfer without compensation? In short, to further expand and strengthen revolutionary solidarity before new counter-revolutionary efforts take root, won't the revolution have to start a real redistribution of productive wealth—to cooperativize firms directly at the expense of Venezuela's capitalists? Sooner or later, Venezuela's cooperative experiment will have to address this question.

After joining in the World Social Forum in Caracas in last January, we caught some glimpses of the "Bolivarian revolution"

moving at full speed, and we've followed it since then. We are convinced that for those around the world who believe "another world is possible," the stakes of this experiment are enormous. Predictably, then, it faces genuine external threats. The short-lived coup in April of 2002 and the destructive strike by oil-industry managers that December were the works of a displaced and angry elite encouraged by the United States at every step. And the campaign continues: State Department-linked groups have been pumping \$5 million a year into opposition groups that backed the coup. Yet the democratizing of workplaces proceeds relentlessly, bringing ever more Venezuelans into the revolutionary process. This inclusion is itself a defense since it expands, unites, and strengthens the resistance with which Venezuelans would greet any new effort to halt or divert their revolution. ■

Betsy Bowman and Bob Stone are on the editorial collective of GEO. They are among the cofounders of the bilingual Center for Global Justice in San Miguel de Allende, Mexico, where they serve as research associates, and are co-authors of many articles on Jean-Paul Sartre. They thank Steve Ellner for comments and invite dialogue through www.globaljusticecenter.org.

unions and cooperatives in various areas of agricultural production and marketing, forestry, housing, and business development.

Long term, the group aims to promote a lasting recovery by employing self-help cooperative principles—developing housing cooperatives, and worker-owned cooperatives for clean-up, rehab, and construction as well as providing ongoing financial and technical assistance to farmer cooperatives and credit unions.

The experiences of federation members over the past year strongly suggests that cooperatives are an effective tool to help people to rebuild their communities from the bottom up. ■

Cornelius Blanding is the coordinator of the Federation of Southern Cooperatives' Disaster Relief & Recovery Program. The federation's website is www.federation.coop.

SOURCES Many valuable articles have been collected at www.Venezuelanalysis.com, including: C. Harnecker, "The New Cooperative Movement in Venezuela's Bolivarian Process" (from *Monthly Review Zine*) 5/05; S. Wagner, "Vuelvan Caras: Venezuela's Mission for Building Socialism of the 21st Century," 7/05; "Poverty and Unemployment Down Significantly in 2005," 10/05; F. Perez-Marti, "The Venezuelan Model of Development: The Path of Solidarity," 6/04; "Venezuela: Expropriations, cooperatives and co-management," *Green Left Weekly*, 10/05; M. Albert, "Venezuela's Path," Z-Net, 11/05; O. Sunkel, *Development from Within: Toward a Neostructuralist Approach for Latin America* (L. Rienner Publ., 1993); H. Thomas, "Performance of the Mondragón Co-operatives in Spain," in *Participatory and Self-Managed Firms*, eds. D. C. Jones and J. Svejnar (Lexington Books, 1982); D. Levine and L. D'A. Tyson, "Participation, Productivity and the Firm's Environment," in *Paying for Productivity: A Look at the Evidence*, ed. A. Blinder (Brookings Inst., 1990); D. Schweickart, *After Capitalism* (Rowman & Littlefield, 2002); M. Lebowitz, "Constructing Co-management in Venezuela: Contradictions along the Path," *Monthly Review Zine* 10/05; Z. Centeno, "Cooperativas: una vision para impulsar el Desarrollo Endogeno," at www.mci.gov.ve.

AFRICAN-AMERICAN ECONOMIC SOLIDARITY

BY JESSICA GORDON NEMBARD
AND AJOWA NZINGA IFATEYO

The Federation of Southern Cooperatives (see bottom of pp. 22-23) and the Common Ground Collective are using cooperative, community-based activities in their efforts to help Katrina survivors and rebuild neighborhoods across the Gulf re-

gion. African Americans have a strong but often hidden history of economic solidarity—of building cooperative enterprises in response to market failure, poverty, and marginalization. *Unless these grassroots models of cooperative economic development, both past and present, are more widely recognized, the opportunity to meet the needs of long-time residents of color and build a solidarity economy in New Orleans may be lost.*

Baltimore 1860s

At a time when African-American caulkers were considered the best at their craft, white workers boycotted shipyards that hired Black caulkers, and white mobs attacked Black caulkers and stevedores returning from work. In response, a group of Black stevedores and caulkers started their own cooperative shipyard. W.E.B. DuBois wrote about the **Chesapeake Marine Railway and Dry Dock Company** and its survival as an integrated work place for 18 years; the co-op even succeeded in integrating the all-white unions at that time.

Memphis 1919

African Americans established the **Citizens' Co-operative Society** to operate cooperative meat markets. Members were able to buy shares in installments; no one could own more than ten shares. By August 1919, five stores were doing business, serving about 75,000 people. Members of the guilds associated with each store met monthly to study cooperative economics.



COOPERATIVES IN THE UNITED STATES: NEW ORLEANS FOOD CO-OP

Mobile Food Co-ops for New Orleans

By Andrew McLeod

New Orleans is a risky place to locate a grocery store today. The city's population is half its pre-Katrina level, unevenly distributed, and highly unpredictable. Some neighborhoods may see widespread bulldozing and redevelopment, while others may simply be abandoned; skyrocketing insurance rates and repair costs are contributing to dramatic gentrification in less-damaged areas. Meanwhile, miles of the city's compromised levee system are still at risk for future failure.

The New Orleans Food Co-op (www.nolafoodcoop.org) is considering a plan that may address New Orleans's unique predicament. The co-op, a buying club founded in 2002, has seen its membership nearly double since Katrina. Members are now considering putting one or more mobile grocery stores on the streets. Admittedly a

logistical challenge, this approach could prove especially appropriate.

First, mobile stores can serve multiple areas with population densities too low to warrant more than a few hours of business per day. Routes can also be adjusted as the population continues to shift. In addition, the stores would be protected from future flooding. In the event of an evacuation the stores could go to a predetermined location, where it could continue to sell to members and other evacuees.

There is an urgent need to get food outlets back into the city, but the risks have discouraged outside investors. So the burden of bringing food back to New Orleans will most likely be left to the residents. With the help of the New Orleans Co-op, there may be new access to food that will rejuvenate neighborhoods and ease the return to the hardest hit areas. ■

Andrew McLeod is a cooperative development specialist at the Northwest Cooperative Development Center in Olympia, Wash.

New York, Chicago, New Orleans, and other cities 1930s

The Young Negro Cooperative League, founded in December 1930 by African-American youth in response to a call by renowned African-American journalist and polemicist George Schuyler in the *Pittsburgh Courier*, was strong in at least five cities by the early 1930s. New York and New Orleans had the two largest contingents of members. Ella Jo Baker was elected its first executive director. The Chicago Ladies' Auxiliary of the Brotherhood of Pullman Car Porters was also organizing cooperatives during this time. Members formed study groups to discuss economic problems and learn cooperative economics.

Alberta, Alabama 1966

At a time when the political climate severely reduced economic options for African Americans in the south, a group of women in Alberta, Ala., established the **Freedom Quilting Bee** in 1966. The women began selling quilts and using other entrepreneurial strategies after many of their families lost the plots they sharecropped because of their Civil Rights activism. The cooperative bought 23 acres in 1968 to build a sewing plant and also to sell land to sharecropping families who had been evicted from their homes. By 1992 the cooperative also owned a day care center and operated after-school tutoring and summer reading programs. At its height the cooperative was the largest employer in the town, with 150 members.

Gary, Indiana 1930s

The Great Depression, which hit African Americans particularly hard, inspired a surge in cooperative development. In 1932, a group in Gary, Ind., headed by a local African-American high school principal, established a buying club, then a network of cooperatives. In time, the **Consumer's Cooperative Trading Company** came to operate a main grocery store, a branch store, a gas station, and a credit union. In 1936, according to Jacob Reddix (later president of Jackson State University), the company was considered to be "the largest grocery business operated by Negroes in the United States," with total sales of \$160,000. Education was an important element. The co-op offered a popular cooperative economics course in the high school's evening school.

South Bronx, NYC 1980s

Cooperative Home Care Associates (CHCA) is a worker-owned cooperative of predominantly Black and Latina women. In its 20-year history it has grown to over 500 worker-owners. The cooperative sets labor standards for its industry in wages, benefits, job permanence, job ladder mobility, reduced turnover and quality care; and pays dividends to its worker-owners. In addition CHCA has established training and cooperative development components and engages in policy advocacy through its nonprofit affiliate, Paraprofessional Health Care Institute.

North Carolina 1930s & 1940s

Inspired by the series of cooperatives developed by the **Brick Rural Life School** in a nearby African-American community, members of the **Tyrrell County Training School** began conducting study groups on cooperative economics. In 1939, 25 neighbors established a credit union; in the first year membership increased to 187. The credit union helped several families to purchase farms or to save their farms from foreclosure; it also financed group purchases of farm equipment. Members of the Tyrrell group started a store in 1940. A year later they established a cooperative health insurance program that guaranteed a member up to \$100 for hospitalization for a membership fee of \$1.00, monthly assessments of ten cents, and a 25 cent co-payment for each hospital visit. Buying clubs and machinery purchasing co-ops were established through 1945. Later, the Bricks and Tyrrell County co-ops joined together to organize a federation of co-ops, the Eastern Carolina Council.

“Don't come back to New Orleans unless you intend to join the fight for Justice!”

—Common Ground

South Central Los Angeles 1992

Following the 1992 uprising in Los Angeles, students at South Central's Crenshaw High School wanted to help rebuild their community. Working with a science teacher and a volunteer business consultant, they revitalized the school's garden and created a student-run, "environmentally sound and neighborhood-friendly" cooperative business to utilize its produce. **Food from the 'Hood** now sells three different kinds of salad dressings in more than 2,000 grocery stores in 23 states and through Amazon.com. The enterprise has expanded to provide academic tutoring, college entrance exam training, mentoring, skills training, conflict resolution, and business skills development to students from Crenshaw High. With 50% of profits going to college scholarships, over the past 10 years Food from the 'Hood has awarded over \$180,000 in college scholarships to 77 student managers. Five of them so far have gone on to postgraduate programs.

WHAT CAN KATRINA SURVIVORS take from this history of cooperative economic enterprise in Black communities? Co-ops are all about keeping control in the hands of all of the workers (or consumers, or residents) and institutionalizing participatory decision-making. This is exactly what has been missing in the official post-Katrina redevelopment plans, hatched in small meetings of politicians and businessmen. At the same time, there is a crying need for all kinds of enterprises to meet all kinds of needs. The co-op model directly addresses both of these imperatives.

A number of cooperative and worker-owned businesses operated in New Orleans before the flooding, including Invest Construction, whose members are public housing residents; Cyberspace Central Computer Consultants; Plan B Bicycle Co-op; and the Green Project, a recycling cooperative. Many of these co-ops are working to re-establish themselves and to help develop more local cooperatives. The Crescent City Farmers Market in New Orleans had been an outlet for many of the Federation of Southern Cooperatives/Land Assistance Fund's Mississippi farm cooperatives. Its reopening two months after Katrina helped local farmers re-establish themselves.

Credit unions have also played a key role in relief and reconstruction. Four of the 14 branches of the ASI Federal Credit Union in New Orleans were destroyed and one damaged, but by September 19, ASI was back in its headquarters and operating its own ATM transactions to serve members who needed cash. The Community Development Relief and Rebuilding Fund provided grants and secondary capital investments to assist a number of credit unions in Louisiana and Mississippi. The National Federation of Community Development Credit Unions (NFCDCU) raised nearly \$1 million for relief and reconstruction.

The national cooperative movement has been very much involved in relief and rebuilding in the Gulf. Cooperatives from around the country donated produce, biodiesel fuel and other supplies to New Orleans and the Gulf Coast, including the Federa-

tion/LAF's Indian Springs Farmers' Association in Mississippi, whose own facilities were damaged and whose members' farms suffered "excessive losses."

The Common Ground Collective (www.commongroundrelief.org) is focusing some of its efforts on developing cooperative businesses in New Orleans. They plan to launch a number of cooperatives in construction, seafood production, housing, and other areas. Common Ground also helps support three community gardens.

Such is the building of a solidarity economy. These cooperative enterprises have many things in common. Members are from marginalized communities and were not being served well or at all by prevailing market forces or government agencies, even before Katrina. They needed to generate income and build assets, and generally have more control over their own economic lives and their communities. They came together (often with the help of a leader or community organization), studied their circumstances, assessed the alternatives, and pooled their resources—talents and capital. They launched businesses that would address their needs and keep them in control. Reconstruction planners in New Orleans and the Gulf Coast would do well to recognize the existing cooperative enterprises in their midst and add cooperative development to their toolkit. ■

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Portions of this article appeared in two earlier articles by Jessica Gordon Nembhard: "Principles and Strategies for Reconstruction: Models of African American Community-based Cooperative Economic Development," *Harvard Journal of African American Public Policy* Vol. 12 (Summer 2006, pp. 39-55), and "Cooperative Ownership and the Struggle for African American Economic Empowerment," *Humanity & Society* Vol. 28, No. 3 (August 2004), p. 298-321.

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