



Valley Alliance of Worker Co-operatives

Supporting the Success of Worker Co-operation in the Valley & Beyond

Report from the Executive Director for VAWC Member Meeting, December 19, 2018

Adam Trott
Executive Director
adam@valleyworker.coop



VAWC Interco-operative Development Fund Makes Impact

In keeping with the practice of other successful co-operative complexes, VAWC member co-ops commit 5% of their annual pre-patronage surplus each year as a contribution to the VAWC Interco-operative Development Fund.

VAWC's Member Co-ops believe building the co-operative economy requires *external mutuality*, including moving financial resources among enterprises from areas of surplus to areas of need and opportunity for economic development.

In addition to having a loan made out to one of our members directly for expansion of services, our investment of the remainder of our fund is realizing impact.

Through our Fund we're participating in the second, third and sixth co-op principles that

prioritize economic and democratic participation across co-ops. We are a member of Shared Capital Cooperative who use our investment to build co-ops of all stripes. Last year 95% of their lending went to women, people of color and low-income communities.

VAWC also invests in the Co-operative Fund of New England to support regional development.

Another set of interns set to start in Spring '18

We're happy to report Emily Salesky and Sansha Khakhar had their applications for internships accepted by VAWC. They will be supporting data collection, communications outreach and event support for us this spring. Upon completion of the internship they will be eligible to receive the Certificate of Co-operative Enterprise from the Department of Economics at UMass, Amherst., which we co-direct with the Neighboring Food Co-op Association.

VAWC in the Media and in Co-op Development

Co-op Federations and Partnerships Support Our Work and Our Mission

VAWC got two mentions recently. Firstly, in the November – December issue of *Cooperative Grocer* our Certificate in Co-op Enterprise at UMass, Amherst, was featured via our partnership with Neighboring Food Co-op Association (NFCA).

VAWC was also cited as a potential outlet of development activity with the Small Business Administration with the new Main Street Employee Ownership Act. This partnership could be through the Small Business Employee Ownership and Co-operatives Promotion Program, which should be part of SBA moving forward.



Above, one of the full page shared ads run by the Valley Co-operative Business Association during Co-op Month.

“We’re particularly pleased that the act requires SBA to coordinate with co-operative associations and development centers, which are natural partners”, said Doug O’Brien, President and CEO, National Cooperative Business Association (NCBA CLUSA).



We'd like to thank Erbin Crowell, former VAWC staff person, who wrote both pieces and cited us. Thanks to NCBA CLUSA and the U.S. Federation of Worker Cooperatives for their work, too

For more on the Main Street Employee Ownership Act, see the Guest Feature in this report.

Upcoming Events

January 23, 2019

VAWC Board Meeting,
Location TBD

December 21

Anniversary of Rochdale Equitable Pioneers opening their first store in 1844



2017 Outcomes and Impacts



Our mission is to foster economic democracy by investing in cooperative enterprises.

VAWC's Interco-operative Development Fund makes impact across the country at Shared Capital Cooperative.

Guest Feature

Support the Success of the Employee Ownership Act!

Read on and learn more about how you can Take Action to support co-ops!

In August of 2018, the Main Street Employee Ownership Act was passed into law. The Act seeks to transform the challenge of business succession into an opportunity, providing a path to retirement for business owners and creating an ownership stake for employees through Worker Co-ops and Employee Stock Ownership Programs (ESOPs), directing the Small Business Administration (SBA) to work with the nation's network of 900 Small Business Development Centers to provide lending and transition-related technical training, executive education, and one-on-one consulting for business owners.



The NFCA was an early supporter of the Main Street Employee Ownership Act and Crowell, who also serves on the Board of the National Cooperative Business Association (NCBA CLUSA), contributed to the final language of the bill, including recognition of the contribution of the wider co-operative movement to employee ownership, the importance of co-operative legal statutes and regulations, and the role of co-operative associations in advocacy and economic development.

The legislation also calls for the elimination of obstacles that co-ops have faced in receiving SBA support, stating that “it is the sense of Congress that co-operatives have a unique business structure and are unable to access the lending programs of the [SBA] effectively due to loan guarantee requirements.” Specifically, the requirement of personal guarantees has disqualified co-ops, due to the fact that they typically have large numbers of members who each own small shares in the business. As a remedy, the Act calls on the SBA to “recommend practical alternatives for co-operatives that will satisfy the loan guarantee requirements of the Administration.” This means that co-ops may finally be able to access to support already available to other small businesses.

The successful passage of the Main Street Employee Ownership Act is not just a victory for worker co-ops. It also opens the way for recognition of the contribution of co-operatives of all kinds to local economies, and the removal of obstacles that prevent them from taking advantage of SBA loans and services available to other businesses. Whether we are talking about worker co-ops or food co-ops, credit unions or farmer co-ops, housing co-ops or artisan co-ops, we know that co-operative enterprises help build stronger communities. You can help ensure that the Act is implemented in a way that will enable worker co-ops — and co-operatives of all kinds — to grow, creating good jobs and building a more sustainable, resilient, and inclusive economy that works for everyone.

Erbin Crowell is Executive Director of the Neighboring Food Co-op Association, serves on the Board of Directors of NCBA CLUSA, & is an adjunct lecturer at UMass, Amherst where he teaches courses on the co-op movement. He can be contacted at erbin@nfca.coop.

Take Action And Support Co-operatives

1. Contact your Senators and Representatives. Share how your worker co-op and other co-ops have made a difference in your community and across our region, creating good jobs, building wealth, and growing local economies.

For example, “*The Valley Alliance of Worker Co-ops has 40 worker members in western Massachusetts and southern Vermont who, together, annually earn more than \$2 million in revenue, contribute \$4,800 to co-op development and sustain a pay ratio of as low as 2 to 1.*” Ask them to encourage the SBA to quickly begin implementing the Main Street Employee Ownership Act, specifically by replacing the personal guarantee requirement for SBA loans to co-ops with a practical alternative, and helping them to grow and serve their communities. (For a sample letter, e-mail adam@valleyworker.coop).

2. Write to the SBA Northeast Regional Office and your local Small Business Development Center. Share the impact that your worker co-op has had on the local economy and how together with VAWC you want SBA headquarters to carry out the Main Street Employee Ownership Act with the same request regarding personal guarantees.



3. Join the Valley Co-operative Business Association (VCBA) and the National Cooperative Business Association (NCBA CLUSA). Membership in VCBA offers an opportunity for cross sector collaboration in the Valley, and VAWC Member Co-ops can join VCBA at a discount. For more, contact Suzette@vcba.coop. Joining NCBA CLUSA strengthens the voice of co-op and DC and helps advance, promote and defend co-operative business before policymakers.

Worker co-operatives and our movement are made stronger through shared identity, statutes and structural provisions that preserve our individual autonomy while clearly identifying our organizations as co-operatives united in the common cause of developing a co-operative economy.

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

- Voluntary and Open Membership
- Democratic Member Control
- Member Economic Participation
- Autonomy and Independence
- Education, Information and Training
- Co-operation among Co-operatives
- Concern for Community

The worker co-operative identity is further detailed by the World Declaration on Co-operative Worker Ownership established by CICOPA (The International Organisation of Industrial, Artisan and Service Producers' Co-operatives) in 2004.

The Valley Alliance of Worker Co-operatives (VAWC) is rooted in the ideals of co-operation, mutuality and solidarity. VAWC is itself an expression of co-operative principles — a “co-op of co-ops” that have come together as a means of strengthening the efforts of our individual co-ops to develop their businesses, serve their members, and contribute to the wider co-operative economy. Our core goal is to provide ourselves with the resources and support we need to advance our co-operatives, empower our members, and benefit more people in our communities.

VAWC Member Co-ops

Collective Copies

Green Mountain Spinnery Co-op

Oxbow Design Build Co-op

Pedal People Co-operative

VAWC Board of Directors

Faith Seddon

Collective Copies

Lauren Yohe Von Krusenstiern

Green Mountain Spinnery

Suzette Snow-Cobb

Franklin Community Co-op
– Stakeholder Director

www.valleyworker.coop

Working
for a Co-operative Economy