

COOPERATIVE STORIES TOOL



SAMPLE STORIES PROVIDED:

- Rural Electrics (Consumer, Utility)
- Friendly City (Consumer, Food)
- CHS, Inc (Producer, Agriculture)
- Freedom Quilting Bee (Artisan, Multi-Purpose)
- TESA (Worker, Education,
- New Era (Worker, Manufacturing)

TO CREATE YOUR OWN STORIES:

- Write one to three paragraphs about the cooperative's start-up story. Be sure to include what the coop is, who started it, why they started it, and some additional interesting information.
 - When including this key information that is drawn upon in the accompanying workshop, don't make it too explicit in the narrative so participants can practice their reading comprehension skills through this activity.
- Background stories for hundreds of cooperatives can be found at stories.coop

RURAL ELECTRICS

INDUSTRY: Utility

MEMBERSHIP: Consumers – households & businesses

TIME PERIOD: 1930s – Present Day

In the mid-1930s, nine out of ten rural homes were without electricity. The unavailability of electricity in rural areas kept economies entirely dependent on agriculture. Factories and businesses preferred to locate in cities where electric power was easily acquired. For many years, investor-owned power companies ignored rural areas believing there would be insufficient revenue to justify the cost of providing service.

In 1935, President Roosevelt signed an Executive Order establishing the Rural Electrification Administration, which in turn passed legislation creating the infrastructure for a lending program that was used by rural residents to create their own electric cooperatives. These cooperatives built and maintained power lines. Subsequently, the amount of rural farms with electricity increased from 10% to 90% between the late 1930s and 1953.

Today, about 99 percent of the nation's farms have electric service, and the majority of that service is provided by cooperatives. Electric cooperatives serve 12% of the nation's population, yet own 42% of America's distribution lines. Currently, over 90% of electric cooperatives include renewable generation in their portfolios.

IN 2015, US Electric Coops:

- Served an estimated 42 million people in 47 states
- Served over 18.5 million businesses, homes, schools, churches, farms, etc.
- Were in 2,500 of the 3,141 counties in the U.S.
- Owned assets worth \$140 billion
- Owned and maintained 2.5 million miles of the nation's electric distribution lines
- Employed 70,000 people in the U.S.
- Paid \$1.4 billion in state and local taxes

QUESTIONS:

1. What do you think would have happened if these rural residents didn't form their own cooperatives?
2. If you were a member of an average rural family in the 1930s & 1940s, how would these cooperatives have impacted your daily life?
3. Why do you think these all remain member-owned cooperatives more than 50 years after they were established?
4. How do you think these utility businesses differ from conventional utility businesses in terms of price and service?

INDUSTRY: Retail Food

MEMBERSHIP: Consumers

TIME PERIOD: 2006 - Present Day

In 2005, a local worker owned restaurant called the “Little Grill” in Harrisburg, Virginia created the “Little Store,” which sold local foods and organic products. The Little Store struggled for reasons including poor visibility/marketing, a bad location, and a narrow selection of products. It closed in less than a year. However, the community still desired the products offered by the Little Store, so a handful of the customers began a new process to develop a cooperatively owned grocery store - this time, to be owned by the consumers (rather than the workers).

Together, these consumers were able to access sufficient resources to hire a development consultant and an outreach coordinator to lead the work. The enlistment of additional staff, a lawyer, and a dedicated Founding Team, allowed their cooperative plan to be formalized within a single year.

Within two years, 450 people agreed to become members of this planned cooperative. Most member recruitment was done via word of mouth. In 2009, the cooperative secured a loan for nearly \$500,000 to build a store.

By the end of 2010, there were over 1,000 identified members and \$1,000,000 in loans provided directly by members. Due to their success in gathering people and money, even more loan and grant dollars became available. In total, the group raised close to \$1.5 million dollars without an actual storefront! They eventually opened their doors in July of 2011 - six years after the original “Little Store” opened, and roughly four years after the planning began for a new version of the grocery store.

QUESTIONS:

1. In what ways was the development process different when it was led by consumers versus when it was led by workers?
 - » How about the treatment of the two projects by lenders and other potential stakeholders?
2. Why do you think over 1,000 people were willing to risk their money in this business venture ?
3. What do you think about the reality that the group having money is what attracted more money to the project?
 - » What does that mean for communities or projects without lots of initial money that can be “self-funded?”
4. How do you feel about their decision to hire professional folks to help them create their cooperative?

CHS, INCORPORATED

INDUSTRY: Agriculture

MEMBERSHIP: Producer

TIME PERIOD: 1931 – Present Day

In the late 19th century, farmers in the United States were being exploited by middlemen to which the farmers were forced to sell their crops, and the railroad barons who had a monopoly on getting the crops to the marketplace. As a result, they were unable to provide themselves and their families a stable income. In the early 20th century, many farmers undertook political organizing to improve their situations through legislative initiatives. However, this was not enough. Farmers continued to face exploitation, this time at the hands of financial institutions. Bankers often foreclosed on the homes of farm families which missed a payment on a loan because the harvest didn't come in on time. The bankers refused to acknowledge the variability of the timing and yield of the harvest, which greatly impacted farmer families' finances.

This bankrupted many families and pushed them out of farming altogether. Farmers needed more stable incomes and access to marketplaces to sell their crops without middlemen. Using the lines of communications and communities built through their earlier political organizing, farmers started to economically organize themselves into producer cooperatives (farmers = producers). Through these cooperatives, farmers could market and sell their crops in bulk on the market and be assured both a better price in the marketplace and a more consistent income stream. Over time, these cooperatives experienced great success and many have merged to achieve an immense economic scale and level of political influence.

CHS Incorporated is a large cooperative that has many of these smaller farmer-owned cooperatives as its members (i.e. a cooperative of cooperatives). Founded in 1931, CHS is now a Fortune 100 company and the largest cooperative (in terms of assets) in the United States. Over the years, CHS has expanded its activities to several sectors including, but not limited to, food processing, wholesale food, farm supply, retail fuel, fuel processing, and financial services. The cooperative has over 14 billion USD in assets and uses millions of dollars of its annual net revenue to support cooperative education, promote agricultural safety, and strengthen rural communities.

QUESTIONS:

1. Are there other aspects of agricultural work that you think could use the cooperative model?
2. Why do you think CHS has been so effective?
3. Do you think cooperatives need to grow as large as CHS to be considered successful?
4. Is there anything to learn or observe about techniques for cooperative development from this era of the US cooperative movement's growth?

FREEDOM QUILTING BEE

INDUSTRY: Multi-Purpose

MEMBERSHIP: Workers/artisans, mostly women

TIME PERIOD: 1966 – 2012

The Freedom Quilting Bee (or “the Bee”) was initially a handicraft cooperative established in Alabama in 1966. It was the brainchild of female family members of sharecropping farmers. Sharecropping farmers rented their farmland in exchange for a small share of the crops they grew on that land. Such an arrangement makes their livelihoods incredibly vulnerable and subject to the whims of the landowner. At this time and in this region, all sharecroppers were poor, many were black, and many were former slaves. If their rent was raised or the land-owner decided to no longer rent to them, they would have no way to earn an income. The Bee was founded at a time when many black sharecroppers were losing their rented land, because the land-owners disapproved of the farmers’ participation in activities supporting the Civil Rights Movement.

To provide income, women began selling quilts through the Bee to offset the loss of land and income from farming. The Bee’s products were in such demand that a group of women in New York opened a store called the “Bear Paw” dedicated to selling the Bee’s products, and their work has been displayed at the Smithsonian Institute. The Bee was credited with being responsible for the revival of American quilting in the 1960s and 1970s.

In 1968, the success of the quilt sales enabled the Bee to buy 23 acres of land used to build a sewing plant (which still exists today) and homes for sharecropping families who were evicted from their land. From 1970 to the mid-1990s, the cooperative leased part of one building for a day-care center that served the entire community. By 1992, the cooperative was the largest employer in town.

However, beginning in the late 1990s, the market for quilts produced in the US significantly declined due to insufficient labor protections and poor wage standards in other countries where quilts could then be made more “cheaply.” This competition made it impossible for the Bee to remain competitive in the quilt market. In response, the Bee adapted and diversified its product offerings to include canvas bags. The Bee ultimately closed in 2012.

QUESTIONS:

1. Can you think of ways in which people in our modern day communities experience a high degree of interdependence (e.g. how the actions of a few landowners would impact multiple families)?
2. What other businesses do you know of that might choose to work together like the quilters did with the sharecroppers and daycare providers? Why or why not?
3. Most of the members of worker cooperatives in the United States as of 2016 were women of color – does the story of the Bee suggest any reasons for why this is the case?

TESA

INDUSTRY: Education

MEMBERSHIP: Worker

TIME PERIOD: 2010 - Present Day

TESA creates educational resources for multiple and varied social and economic change issues. The worker cooperative produces products for sale (e.g. board games and curricula) and provides educational services to other organizations. TESA creates educational resources that both address many issues not taught in schools and employ teaching methods not used in most schools.

The Toolbox for Education and Social Action (TESA), a worker-cooperative of educators, began as a college project. Following graduation, the student initiating the project began working to establish TESA as a formal organization. The work eventually became a full time job for that student, and - about a year and a half later, a second person joined TESA in a paid staff role, which began the organization's transition from a project to a worker-owned cooperative.

In its short history, TESA has grown to a handful of worker-owners. The cooperative is still developing and has weathered some difficult financial times. Some of its struggles are explained by how education work is greatly undervalued. This has forced TESA to be creative in the types of projects it embraces and the ways it raises money to support its initiatives. To fund the creation of its flagship education product, CoOpoly: The Game of Cooperatives," TESA used a crowdfunding campaign on Kickstarter. TESA also seeks support from grants and foundations for its targeted projects. Through these creative approaches and varied mediums, TESA has been able to provide compensation for its worker-owners to allow them to continue to create powerful educational resources for changing the world.

QUESTIONS:

1. How is the founding of TESA similar or different to what you think of when you hear the word "entrepreneurship?"
2. Why do you think they chose to pursue educational objectives in a cooperative environment instead of working at a school, university, or existing institution?
3. Why do you think they opted for a worker-cooperative model?
4. What do you think about their difficulty in funding education-related initiatives?

NEW ERA WINDOWS

INDUSTRY: Manufacturing

MEMBERSHIP: Worker

TIME PERIOD: 2010 – Present Day

In 2008, after many decades of successful operation, Republic Windows and Doors shut down its operations as a result of bankruptcy. This news was surprising to many, as the business appeared profitable – its owners had even opened additional windows factories in recent years elsewhere in the same city.

Ultimately, it was revealed that the owners were engaged in fraudulent behavior and were being sued by banks over outstanding debts. It became apparent that the workers were not losing their jobs because they weren't doing good work or because the business couldn't provide itself to be viable – instead, it was because the owners of the business acted unethically and without the interests of the workers and other stakeholders in mind.

The workers were told that their jobs would be terminated immediately and that they would not receive the backpay or severance that was contractually obligated to them. Strongly supported by the local community, the workers occupied the factory in protest. Through the occupation, the workers were successful in getting the backpay and severance owed to them. Soon after the successful protest, a new company purchased and reopened a portion of the factory, which allowed some workers to keep their jobs. Unfortunately, this business struggled and also faced foreclosure. The remaining workers found themselves losers in a financial game they did not control.

This proved to be the last straw. The workers decided it was imperative for them to be in charge of their own employment and livelihood. They began to plan to start a new window manufacturing business they would collectively own. They called the business venture New Era as a signal and inspiration to others to participate in a new era of American workers owning their own industrial jobs. They use the following statement to guide their work: “Everyone can participate in building the economy we all want, and no one should be treated as temporary or just raw material for someone else's business.”

QUESTIONS:

1. What do you think would have happened in the lives of these workers if they had not taken control and ownership of the business?
2. What impact does a business that employs a large number of people have on a town when it shuts down and lays off some or all of its workers?
3. What challenges do you think they faced in the transition to a worker cooperative?

INTER-COOPERATIVE COUNCIL

INDUSTRY: Housing

MEMBERSHIP: Residents, students

TIME PERIOD: 1932 – Present Day

In 1932, in response to the harsh economic times imposed by the Great Depression and resulting difficulty in finding affordable housing, male members of a student group at the University of Michigan founded the Michigan Socialist House. In return for four to five hours of work and two dollars every week, each of the 18 founding members received room, board, barber services, canning assistance, and laundry service. The success of the Michigan Socialist House fueled other cooperative endeavors, the most notable being Michigan Wolverine Eating Cooperative. The dining cooperative served as a common ground for many student groups - specifically, the Student Christian Association, the Wolverine Eating Cooperative introduced the idea of housing cooperatives to many within the religious community.

In 1936, a group of male students from the religious community chose to move into a rented house that they named the Student Cooperative House. Since the University did not allow for males and females to cohabitate, only men lived at the Student Cooperative House; a group of women later rented and ran their own Girls' Cooperative House.

In 1937, the four existing student cooperatives joined together to form the Campus Cooperative Council. This organization later became known as the Inter-Cooperative Council (ICC) and was formerly ratified and recognized by the University and all its member cooperatives in 1939. The increased economy, efficiency, and publicity gained through the establishment of the Inter-Cooperative Council facilitated the establishment of many more student cooperatives on the University of Michigan campus over the next several decades.

As of 2016, the ICC owns 19 houses, which range in size from about 12 to 85 members of a diversity of genders. Houses manage their finances, do minor maintenance, prepare house-wide meals, and coordinate with all cooperative housing units on campus. House meetings, which are held once or twice a month, provide a forum for open communication and, if necessary, conflict resolution. Members vote on such issues as how much to spend on food, how many meat meals to serve per week, which newspapers to order, and when to schedule the next party.

QUESTIONS:

1. How would you describe the growth process that brought about the first four student cooperatives? Have you seen this kind of growth happen in other situations?
2. What skills do you think a member develops through the student housing cooperative?
3. Why do you think the ICC still exists today - in a similar structure, name, etc - almost a century after its inception, despite the membership in its houses changing dramatically each year?

COOPERATIVE NEWS

WORKSHEET



1. **Read** through the scenario provided to you for the activity.
2. **Envision yourselves as the protagonists** in the scenario.
3. **Brainstorm potential cooperative solutions** to the issue or need presented.
4. **Select one of the potential solutions** with which to **answer the following discussion questions and briefly record your responses:**
 - A. Who are the stakeholders? Which of those stakeholders are members? Why?
 - B. What is the good or service offered cooperatively?
 - C. What benefit(s) does this cooperative offer to its members?
 - D. How is this cooperative likely to change the life of individual members?
 - E. How is this cooperative likely to change the larger community?
6. **Shift your perspective** from that of a cooperative founder to that of a journalist in the community. Imagine that the cooperative is planning to begin operations in one month.
7. **Design a “frontpage” of an online or paper media outlet** reporting on the upcoming start of operations - create it on a piece of paper. Use the components presented in the sidebar on the right of this page, as well as anything else you can imagine.

FRONTPAGE COMPONENTS:

- ◀ **HEADLINE** – A few words, often not a complete sentence, that serves as the title to the main front page article about your cooperative scenario.
- ◀ **SIDEBARS** – These are sub-statements that are more detailed than the headline. They may highlight some of the technical and specific aspects of your discussion and subsequent plan, e.g. The new cooperative has already signed up 50 members!
- ◀ **QUOTES** – These are testimonials about the accomplishment or difficulty from interested parties – people quoted can be direct stakeholders (e.g. a cooperative founder) or folks who have more distant relationships (e.g. small business owner).
- ◀ **OTHER** – Anything else you can think of that makes sense on a front page, e.g. related articles with their own headlines, pictures, the weather, community announcements.