



# Valley Alliance of Worker Co-operatives Membership Agreement

Version 1.0, Approved 4/28/10

## Preamble

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. In joining with VAWC, our co-ops commit to solidarity as expressed by the following provisions of membership.

## Vision

We envision a co-operative economy where one can live an entirely co-operative day: An economy built on workers' self-determination and freedom of action and association; An economy of breadth and depth that puts working people in control of their economic destiny while serving their communities in accordance with the co-operative values and principles.

## Mission

The Valley Alliance of Worker Co-operatives is dedicated to building a sustainable local economy by facilitating the growth, development and promotion of worker co-operatives. To realize this, our association:

1. Provides support for our members. This includes maintaining and sharing information relevant to worker co-operatives, providing technical and organizational assistance, offering joint marketing and promotional services, developing group benefits, improving access to financial resources, strengthening ties between worker co-operatives, and developing relationships with other segments of the co-operative/labor community;
2. Develops new worker co-operatives and offer mentoring and skill-sharing to those developing worker co-operatives; and
3. Promotes worker co-operatives in our region. This includes educating and developing community awareness of worker co-operatives as sources of meaningful employment and economic empowerment, providers of quality goods and services, and viable alternatives to conventionally owned and managed businesses.

## Structure & Identity

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.

The basis for membership for worker co-ops in VAWC is the Co-operative Identity as defined by the International Co-operative Alliance ([www.ica.coop](http://www.ica.coop)):

**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.

### **VAWC Membership Criteria**

To be a "Member", a worker co-op must apply to the membership of VAWC for their membership in the Valley Alliance of Worker Co-operatives. The workplace must meet the criteria of being a worker co-operative as defined by the US Federation of Worker Co-operatives and the International Declaration on Worker Co-operatives (CICOPA). Worker Co-operative membership in the USFWC will automatically qualify a workplace for membership in VAWC. Membership in the USFWC is not required, though encouraged, to be a member of VAWC.

Membership is open to worker co-operatives in and around the Connecticut River Valley in Western New England. VAWC's activities are centered in the Connecticut River Valley between Springfield, MA and Brattleboro, VT. A Member can be approved for membership at any regular meeting of VAWC, by the existing VAWC membership.

Members will be assigned a "Provisional Status" if they have not yet formally organized as a worker co-operative or if they have formed and are only two members. Members assigned Provisional Status will be reviewed by the Membership annually to ensure they are still on track with worker co-operative ownership.

Worker Co-operatives in our region that do not participate actively in VAWC or do not pay dues will be considered "Inactive Members", with the exception of worker co-operatives who are not interested in VAWC membership who are neither active nor inactive. VAWC, in its efforts to forward the worker co-op model and co-op business in general, will support Inactive Members in its marketing and educational activities. A Member becomes "inactive" once absent for 4 of the past 12 meetings regardless of dues. To become an 'Active Member' again a worker co-operative must attend a meeting until they have attended 8 out of the last 12 meetings at which point their vote will be reinstated. Inactive Members may attend VAWC meetings and are welcome to be involved in the dialog and discussion around decisions by VAWC, but are not given the power to block consensus nor do they have a vote. A 'Member in Good Standing' requires both dues and attendance.

### **VAWC Friends**

VAWC Friends may attend VAWC meetings and are welcome to be involved in the dialog and discussion around decisions by VAWC, but are not given the power to block consensus nor do they have a vote. Preference in speaking order is given to worker co-operators when needed. A VAWC Friend can be approved for membership at any regular meeting of VAWC, by the existing VAWC membership.

A "VAWC Organizational Friend" consists of other organizations and or businesses that are in support of VAWC's mission. This includes, but is not limited to, other types of democratic workplaces, support organizations, non-profits, and other types of co-operatives. A "VAWC Individual Friend" is an individual who does not represent a specific organization, but wishes to be involved with VAWC and supports VAWC's mission.

### **Legal Status**

Member co-operatives may be incorporated under relevant co-operative statutes of their state (e.g. Employee Co-operative Corporations General Law in Massachusetts, and the Worker Co-operative Corporations Statue in Vermont) or other statutes. If not incorporated under co-operative statutes, co-op articles of incorporation, bylaws and operating agreements shall clearly communicate the co-operative identity, structures and governance along with other provisions detailed in this agreement.

### **Decision Making Process**

VAWC members have a particular commitment to collective management and consensus decision-making. Member co-ops are encouraged to support this practice in their bylaws, policies and operations, and to provide education and support to their members for effective participation in the governance and operation of their enterprises.

VAWC makes decisions on the basis of one-member-one-vote to reach consensus. Multiple people attending a meeting from one Member co-op will only have one vote in the meeting. If two members or more bring an agenda item to three consecutive meetings, and a decision has not come to consensus, we fall back to 2/3 majority.

Quorum. Most topics may be discussed in regular meetings regardless of the number of members present. Structural, spending and overall mission decisions would need to have 67% quorum of member co-ops. Multiple people from one co-op only contribute one member toward quorum.

Group thought decisions, not covered by criteria above, would need the presence of 50% of members to be considered representative.

### **Education and Co-operative Community**

VAWC co-ops are committed to education and skills development as a mechanism for the empowerment of their members. Of particular importance is the provision of education for prospective as well as current members in co-operative governance, process, history, and the co-operative principles upon which the movement is based. In this spirit, it is recommended that VAWC co-ops make available up to 10% of their members' hours worked for education, training and mission related work that contributes to the empowerment of their members, advancement of their co-op and the wider co-operative movement, and expressions of concern for community. Such provisions are crucial to the accomplishment of worker empowerment, self-help and self-responsibility, and the self-determination of the worker co-operative movement. Examples include: participation as an appointed representative to VAWC; participation in VAWC's activities supporting co-operative development; individual co-op representation to local, regional and national co-op organizations; representation at conferences, workshops and educational forums; job training and task education such as accounting, tax preparation, and business planning; and education in co-op history, philosophy and process.

### **Internal Co-operative Capital**

The development of internal co-operative capital is central to the independence and sustainability of our co-ops and their ability to serve their members and the wider community. Member co-ops are therefore encouraged to include provisions in their articles and bylaws that facilitate the development of co-operative capital through sufficient member share investment, and the allocation of patronage to individual and collective capital accounts within their co-ops.

### **External Co-operative Capital**

Building the co-operative economy requires "external mutuality", including mechanisms for moving financial resources among enterprises from areas of surplus toward areas of need and opportunity for economic development. In keeping with the practice of other successful co-operative complexes, member co-ops shall commit 5% of their annual pre-patronage surplus each year as a contribution to a co-operative development fund that will be identified by VAWC and oriented toward the development of our network. Co-ops that compensate their members solely in patronage dividends should first subtract the patronage advanced throughout the year before calculating the 5%. VAWC shall ensure that these resources will be utilized in a manner that supports the development of new and existing co-ops in VAWC's through the provision of lending, investment and technical assistance in a manner that is in keeping with VAWC's mission and supports the shared goals of our members.

### **Preservation of Co-op Integrity**

Our alliance recognizes and promotes the worker co-operative model as a positive alternative to speculative enterprise and stock markets. Our shared goal is to build a co-operative economy in which social and economic resources are rooted in our communities, controlled in a democratic manner, and deployed for the benefit of people and community before profit. Member co-ops are therefore encouraged to include in their bylaws provisions protecting the enterprise from conversion to a conventional business or external acquisition (except through merger with another co-operative). VAWC will provide models and technical support for the inclusion of such provisions in member co-op bylaws.

### **Membership Dues**

VAWC strives to fund its operations primarily through dues paid by the member co-ops that it serves and that comprise its membership. Member dues are set at a level intended to ensure that our activities as an association are independent, sustainable and accountable to members, and to support the self-

determination of our co-operatives and individual members. In keeping with this goal, annual membership dues for member co-ops of VAWC are 1/8<sup>th</sup> of 1% of gross revenue with a \$500 minimum contribution.

### **Interco-operation**

VAWC members recognize that one of the most powerful mechanisms for economic development is trade and exchange among our members and across the wider co-operative movement. Our co-ops therefore make a priority of, and quantify on a yearly basis, the purchase of products and services from one another, sharing strategic information for the purposes of enterprise development (such as ideas for new products and services), and promoting one another to our customers and to the public at large.

### **Employment Solidarity**

One of our commitments as an alliance is securing the livelihoods and opportunity for fulfillment of our co-operative members, and ensuring that more people have access to the benefits of membership. Our co-operatives shall therefore make a priority of supporting fellow VAWC members through the provision of employment and membership opportunities across enterprises, particularly in cases of downsizing and dissolution but also for the purposes of human fulfillment and career development.

### **Alliance Representation**

The effective operation and governance of the Alliance depends on the active and engaged participation of its members. Representation at VAWC informs, energizes, and emboldens our alliance and our movement. Member co-ops shall therefore appoint at least 2 representatives to VAWC and make provisions that will support the participation of these representatives in the regular meetings, deliberations and activities of the Alliance. It is recommended that member co-ops consider this participation to be compensated time.

### **Non-Compliance & Right of Appeal**

If a member is thought to be out of compliance with this agreement, that members will be provided with an opportunity to speak on their behalf during a review by the VAWC members at the next regular meeting before any action is taken and/or making a change to membership status. Members can make one appeal on any decisions made against them. The VAWC membership is required to use the decision making process described in this agreement to ratify an action against a member and to ratify any appeals against that action. The member in question may not block decisions against them.

### **Amendments & Modification to the Member Agreement**

Amendments and/or modifications to this agreement can be proposed to the VAWC membership at any time. Such proposals will be added to the regular VAWC meeting agenda, as soon as practical, to be discussed at such meeting and decided at the subsequent meeting.

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The signatures of at least two representatives below indicate the commitment of our co-operative to membership in the Valley Alliance of Worker Co-ops (VAWC) and to the requirements of membership as described above.

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Member Co-operative

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Date

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Representative Signature

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Printed Name

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Representative Signature

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Printed Name