

Transcript

Upstream Podcast

Episode 8.1: WORKER COOPERATIVES —Widening Spheres of Democracy

Featured guests:

Richard Wolff - Economics professor emeritus at University of Massachusetts, Amherst, founder of Democracy at Work, and host of the weekly radio show Economic Update

Gopal Dayaneni- Co-founder of Cooperation Richmond & Staff Member at Movement Generation

Doria Robinson- Founder of Urban Tilth and Co-Founder of Cooperation Richmond

Esteban Kelly - Executive Director of the US Federation of Worker Cooperatives

Gorka Espiau - Senior Fellow at the Agirre Lehendakaria Center at the University of the Basque Country

Najari Smith - Worker/member of Rich City Rides bike & skate shop

Roxanne Villaluz - Worker/member of a cooperative bakery & pizzeria

Sofa Gradin - Political Organizer and Lecturer in Politics at King's College in London

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[Upstream Theme Music - Lanterns]

[River sounds]

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Robert Raymond: And I'm Robert Raymond.

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[Sound of Fireworks]

Najari Smith: I remember it was like Independence Day, on a Sunday, it's like 10 o'clock at night, I'm still trying to finish up a project. I'm in San Francisco and I just took a pause and went to go see the fireworks. And it was something about it being Independence Day and I'm stuck working and—you know at that that's how is on a salary so it was like the more you work the less you

really get. In the corporate system, they love that, because they can extract as much energy and labor out of you as possible. And I felt that if I was going to work twenty-four seven,, three sixty-five for something it had to be something that I was—that I believed in, that I was passionate about. I knew that I would never be an owner of that business. You know even as a branch manager or a night supervisor or a regional manager, which was what I was move to, that say-so over how much I made, how much my labor was worth, that amount of control over my life was not going to be there.

[Music — Jerry Folk]

Najari Smith: That I was more eye-opener. After that I said you know, something's got to change, and I started up an organization, Rich City Rides bike and skate shop, with the intention of creating a worker cooperative.

Della Duncan: The Worker Cooperative is the subject of this two-part series, and the voice you just heard was that of Najari Smith.

After growing up in the Brooklyn projects and serving some time as a young adult, Najari decided to come out west after the company he was working for offered to relocate him with a promotion. He married his girlfriend and they moved to San Francisco. His corporate job paid pretty well and provided them with temporary housing in the city. He was doing well for the first three months, but then his housing stipend came to an end and he quickly discovered that he wasn't being paid close to enough to cover the costs of living in San Francisco, where the average rent for a one-bedroom apartment is \$3,500 per month. So he moved to Fruitvale, and then to West Oakland. And that's when things began to unravel. In the ensuing months, Najari quit his corporate job, separated from his wife, and eventually found himself living in Richmond, California, where, using savings from his liquidated 401k retirement account, he founded a cooperative bike and skate shop called Rich City Rides. We asked him how he felt in his new work environment.

Najari Smith: I like coming work. That's a big difference. I like coming work. Me and the other worker-owners talk about how the business is doing and we celebrate when we have a month that's better than the same month last year. Everything is transparent. We know exactly where all of the money is going. We make all of our decisions collectively. It's a total—it's not even a one-eighty from any corporate jobs or any other jobs that I've ever worked. It's totally a different world, it's a different—it's the new economy I want to see.

Della Duncan: Ok, hold up. Before we go any further,, what exactly *is* a worker cooperative? Here's Sofa Gradin who teaches politics at King's College London, with a brief cooperative 101.

[Radio dial sounds]

[Elevator Music]

Sofa Gradin: A worker cooperative is a firm that is owned and managed by its own employees.

Worker cooperatives can be found all over the world with varying degrees of influence. They rose to prominence during the Industrial Revolution as part of the labor movement. Since their inception, there have been a set of principles at the heart of worker-cooperatives called the Rochdale Principles, enshrining their common values of democracy, transparency, collectivity, and concern for the community into their work as a movement.

In worker co-ops, employees are called members, and they vote in all strategic decisions, similar to shareholders in a corporation. But the difference with corporations is that in a worker co-op, one person gets only one vote. Just like in a democracy.

An interesting and important aspect of most worker co-ops is their pay ratio—the difference in pay between the highest and the lowest paid workers. In most cooperatives, the pay ratio is one to one, meaning everybody gets paid the exact same amount. Sometimes it's a bit higher than that, but not nearly as much as in traditional companies. For example, in the United States, the average pay ratio for non-cooperative companies is 271 to 1!

A worker cooperative is also different from other kinds of cooperatives, like consumer co-ops, for example, which are owned by customers. Many grocery co-ops are actually consumer co-ops, not worker co-ops.

Finally, there are also housing co-ops, and banking co-ops too, which are known as Credit Unions. There are also worker self-directed nonprofits which are mission-driven charity organizations which are worker-managed but not owned. But these are all different from worker co-ops.

This has been Sofa Gradin with an Upstream 101 on Worker Cooperatives.

Richard Wolff: When you go to work in the morning—when you go to your office, your store, your factory—and you cross the threshold into the building, something happens. You don't feel it, see it, or smell it, but it happens.

Della Duncan: This is Richard Wolff, he's been an economics professor all his adult life, and currently teaches at The New School in New York City.

Richard Wolff: Namely, you enter a world in which there are big decisions being made every day on your life. The decision of whether or not you have a job in this building or not, whether the first thing that happens to you is that someone ushers you right out of the building because you have no right to be there. Or, instead, that person says, "Oh, welcome, you are worker here. Go sit in that desk, with that machine, doing this activity, in the way that I tell you, for a length of time we've agreed to." And then you go home, and you leave behind what you have produced. You've used your brains, your muscles to make something happen, but it belongs to somebody else. And you go home and you rest and you come back tomorrow and we do this all again.

The decision about whether or not you have a job is absolutely fundamental in your life. It can even affect your health or your very survival. Likewise, the decision of whether you sit in a lit place, or a dark place, whether there's noise or there isn't, whether the air is any good or it isn't: these are all decisions that affect you. But in your workplace, here comes the punchline—you have no power over those decisions, you have no participation. The end result is, you are in a place—the workplace in modern capitalism—where there is no democracy. And that has been true from the founding of the United States right through this minute. And it means that when you refer to the United States as a democratic society, you either understand what you're saying, and

thereby exempt the economic space of society, or you don't know what you're saying because you've never faced what I've just said. And yet the economic space of society is crucial, because for most adults, that's where you spend most of your life. Nine to five, five out of seven days of every week, you're at work. So if you actually believe in democracy as the way to do things, then you are in a society where you are spending most of your time, most of your living hours, in an undemocratic, non-democratic space.

Najari Smith: Cooperatives take a direct swipe at capitalist greed.

Della: Here's Najari Smith again.

Najari Smith: Somebody at the top of the pyramid having a say over everybody else's livelihood...I remember my uncle he once said you know, I told him, you know, how much I was getting paid, and you know this new job that I got and he's like, "Yo they're paying you what they have to pay you. They're paying you as much as they can to keep you on board." And I didn't really get that right away. You know? One thing that I feel cooperatives do is they give the value of an individual's labor back to that individual.

[Music Break — Antwon]

Della Duncan: To learn more about the advantages of coops: Here is Esteban Kelly, the Executive Director of the US Federation of Worker Cooperatives, a national grassroots membership organization that advances worker owned, managed, and governed workplaces through education, advocacy, and development.

Esteban Kelly: People form any kind of co-op—you know, consumer co-ops, producer co-ops, purchasing/marketing co-ops, worker co-ops, to share risk. If you start a family owned business and it goes under—that's your whole family—your whole family's assets, savings, whatever, that's wiped out. For worker coops, sharing the risk among all of the workers there is—it's just a less risky way of going about getting into business. And it also means that you can lean into the multiple owners if you need to tighten your belts, you know, when you're faced with challenges.

So, we know this now through longitudinal economic data that worker co-ops are more stable and successful compared to traditional business models. They're also more efficient, it turns out. Prior to doing the research and having the data we have this sort of cultural assumption that well you're involving more people this must inherently be less efficient, but it turns out that the glut of management and middle managers and even people who are in hierarchical positions holding power or decision-making where they don't necessarily have the full range of expertise over many things tends to be a little bit wasteful.

Richard Wolff: A democratic system works better.

Della Duncan: Here's professor Richard Wolff again.

Richard Wolff: The results we'll have, the decisions that are made about what we produce, how we do it, where we do it, what's done with the profits—we will get better decisions if they're democratically arrived at than we get now. When we allow a small minority—not the democracy, but a small minority of people—to own enterprises, and to direct them, which is what capitalism

is, then we really can't be surprised if they make decisions that service them, that serve them first, that put them first. And then all the rest of us who are not major shareholders, who are not members of board of directors, are living in an economy that's serving someone ahead of us—which we kind of all know, but we're afraid to see what that implies, which is: if you want the economy to serve the people, you've got to put the people in charge. It's the first understanding that all democracy comes from. And I—that's my argument. We would be in better shape economically if we let those decisions be made democratically, that are now made by the autocracy of capitalism.

Esteban Kelly: If you democratize ownerships, you involve more people in any given firm in being owners, it means they're more committed, they're more involved in the problem solving of some of the business challenges that might come up, and they just—they don't get that wanderlust to find or do something new.

So yeah there's kind of a lot of economic data on the benefits of worker ownership. And then there's all the squishier stuff—the sort of social impact of civic engagement, leadership development, increasing financial literacy among women and minority business owners. Even if that business ends up closing after a couple of years you now have a whole community of people who have really upped their game in getting the kind of leadership development and education that traditionally is only accessible to middle class or even upper middle class and wealthy people.

Della Duncan: The last several years have seen an explosion of interest in worker cooperatives, so much so that the United Nations General Assembly designated 2012 as the International Year of Cooperatives. Since the latest collapse of capitalism in 2008, people have been eager for alternative models. The energy, anger, and desire for change that fueled movements like Occupy Wall Street have since been channeled into a number of different directions, including efforts to radically restructure the workplace. According to a 2017 report by the Democracy at Work Institute, over sixty percent of worker coops in the United States formed after the year 2000, and over thirty percent after 2010. And the number has the potential to continue to rise as we begin to see what's called by some the “silver tsunami,”—referring to hundreds of thousands of baby boomers who are expected to retire in the next ten to fifteen years. As they sell their business, around three hundred thousand per year, they're going to be participating in perhaps the largest transfer of wealth in U.S. history. Instead of selling off to the highest bidder, or submitting to liquidation and closure, there's an opportunity for many of these businesses to be sold to workers and converted into worker cooperatives.

Richard Wolff: The idea of worker co-ops is now an idea whose time has come. You know, Marx is famous for a remark: ideas only become important in the world when they grab, you know, the consciousness of masses of people. The co-op is in the—is right in the moment of doing that. It is becoming the idea. And it's partly becoming the idea—and this is perhaps the most important point—because the defenders of capitalism, in the last—particularly since the second World War, have worked so hard to demonize every alternative that what they have done is convinced people, that even if you don't like capitalism, it's all there is, it's what must be, it's the final step.

So we then are given an unbelievable opportunity, which I use every time I get: No. There's something you can do. Not only can you do it, it's being done. It's all around you. There's a moment when you reach a person, when they have a little mini epiphany. Because they somehow thought there was no else, there was no other, there was solution. And we are saying, “Here's one.” Here's a whole other way of organizing the enterprise that would make you much happier going to work everyday than you are now, make work a much more interesting development of

your whole personality than the particular job you have now, give you opportunities to shape your own life you do not have now. It would change you as a human being. Here, here's the revolution, here's the new society, not as an abstraction, not as giving the government far away some power. No, right here. Your everyday life is going to transform, and you're going to be the master of your own fate.

Let me end with a little story. For many, many years in my large classes at the University of Massachusetts, I would hand out a piece of paper at the beginning, and I would say to the students, you know, "Tell me your name, and your major," all that. But the real [inaudible] wasn't that. I asked them a question, "Tell me what you imagine your preferred economic situation will be five years after you graduate." So, you know, "What are you hoping to do?" Overwhelming majority said, "I want to be my own boss." Right? They wanted something—which I explained to them in my first lecture in the class—they wanted something that there was no chance they were going to get. That is, the number of them who would end up being their own boss is this percentage. And they knew it, but they wanted it anyway. They co-op is the closest that they're going to ever get. And when you get that into their heads, they become advocates of coops.

[Music Break]

Della Duncan: Why does Richmond need a bike and skate shop?

Najari Smith: Richmond needs a bike and skate shop because, well, for one, there's no other bike shops in like a five mile radius of Rich City Rides. We're the only bike shop in the city. Richmond needs Rich City Rides, in particular, because we show, we show the folks here that it's possible to start a business. We're an example of what a cooperative of business is. We show that is possible for black and brown communities to create these things.

[Urban Tilth Field Recording]

Della Duncan: We're here at the Urban Tilth Farm in North Richmond. We're right across from where the Richmond oil refinery is—the Chevron oil refinery—and we are meeting Doria Robinson to talk to her about her work with the Cooperation Richmond movement.

Doria Robinson: Richmond is a city in the East Bay in the San Francisco Bay area, on the eastern side of the bay, directly across from one of the wealthiest areas I think not only in California, but I think in the nation—Marin County.

Della Duncan: Doria is a third generation Richmond resident and the Executive Director of the Urban Tilth Farm—a community based organization rooted in Richmond and dedicated to cultivating a more sustainable, healthy, and just food system.

Doria Robinson: Some of the neighborhoods here are the poorest in the state. Actually the neighborhood that we're right outside of—North Richmond—has one of the lowest income levels, the highest poverty rate, the highest unemployment rate, the highest rate of violence, the highest rates of, you know, diabetes, heart disease. You name it, this community is really just burdened with it.

Della Duncan: Richmond has been an industrial town from the start. In fact, the Chevron oil refinery was built in 1902, three years before Richmond was even incorporated. During World War II, the city grew rapidly in population as workers came from all over the country to work in the shipyards that sprouted up around Richmond's deep water port. Many of the residents of Richmond can trace their ancestry back to this point in time, when the population jumped from a sleepy twenty-three thousand to well over one-hundred thousand—with a high proportion being African American, coming primarily from the rural areas of Texas, Arkansas, Oklahoma, Louisiana, and Mississippi.

Today, Richmond's downtown has been largely abandoned and its northern periphery is on the front lines of the Chevron Richmond Refinery, processing over 240,000 barrels of crude oil every single day and creating a toxic environment for those living in the surrounding vicinity. According to a 2009 report by Communities for a Better Environment, in Richmond, the childhood asthma rate is more than twice the national average. It's an example of what we call a 'sacrifice zone'—a community that has been largely incapacitated by environmental damage and economic neglect. Because of the many challenges that Richmond faces, Doria, along with others, founded Cooperation Richmond, a cooperative incubator set out to help build community wealth for low-income communities and communities of color in Richmond.

Here's Gopal Dayaneni, a Co-founder of Cooperation Richmond, who has been involved in movements for economic, environmental, and racial justice since the 1980s.

Gopal Dayaneni: Cooperation Richmond is an organization that we have developed for the purpose of supporting worker-owned and community-owned cooperatives in Richmond California, which is one of the poorest parts of the Bay Area, a majority people of color community.

And we provide coaching, connections, and capital is kind of the way we talk about it. We're not a co-op academy, instead we're interested in accompanying cooperatives to success. And we're focused on folks who are most excluded from the dominant economy—who we think should be the foundation of building the next economy.

Della Duncan: And why cooperatives as the vehicle for helping folks who are excluded into the next economy? What—where did that idea of the cooperative as the vehicle come from?

Gopal Dayaneni: Well, there's a few different pieces of that. So, the first is, bosses just suck. You don't need them. Everybody's labor is valuable, all wealth is generated through the work of the living world. Making money off the movement of money is just extraction of wealth from other people. So, the idea of people—all of us being able to voluntarily co-participate and control our own labor to meet our needs and the needs of our communities, and to share that wealth, to create commons of wealth and commons of resources, is what we think is a necessary element of the transition that we need to be in. The dominant economy extracts wealth from the living world and it begins with extracting wealth from our own work. And so in order to both confront that, but also to build a new kind of muscle memory, and how to be in the world, to actually practice self-governance on a daily basis, we need institutions and infrastructure that can do that.

Della Duncan: Founded in October of 2017, Cooperation Richmond is plugged into a broader national movement that includes similar initiatives throughout the country.

Gopal Dayaneni: There's Cooperation Richmond, there's Cooperation Jackson, there's Cooperation Texas, which came before either of the two of those. It's actually—it's a really good

example of what we call trans-local organizing. There is autonomist, place-based organizing with a unifying vision, shared strategies, and common frames. So we are all connected together—and so many other organizations who are supporting co-operative development—are connected together because we share a common vision, because we're sharing strategies with each other, and because we're working together. And so in that way we're all connected. And so, we chose Cooperation Richmond because it sounds great, and it speaks to our larger relationship to a movement.

Della Duncan: Cooperation Richmond played an important role in helping to get Rich City Rides off the ground.

Doria Robinson: Rich City Rides bike and skate shop is this really powerful story. Before Rich City Rides rides if you wanted to do any repairs to your bike, you had to go to Walmart, which is not exactly a bike repair place, or Target. That was it. And so people mostly just like threw their bike out if they got a flat—like literally threw their bike out. It was kind of painful to see. You know, oftentimes bikes are associated with gentrification and kind of an elitist thing you do on the weekend. In Richmond, it's really different. People can't afford cars. Or their car is constantly breaking down so they'll default to a bike just to get to work, or just to get to the store, or just to go get around. And so it actually is a need, you know? People actually needed to have a place to be able to fix their bike which was much cheaper than trying to find another one.

Della Duncan: Najari started Rich City Rides with Josue Hernandez, a first generation immigrant who grew up in North Richmond, and Taye McGee, father of five who had a history with the law. They first worked out of a storage space and other pop up locations until someone offered them a storefront on the main street in Richmond which was completely boarded up at the time and had been for years.

Doria Robinson: They were really running a pretty substantial business with nothing. And there was just no prospect for them to actually get to a point of profitability—they were not even close to profitability—without having capital. Like they needed more inventory, they needed a facelift. You know, like, the shop didn't look like it—you know, it looked like somebody's garage, you know? Because they were just finding display cases off the street, you know, and bringing them in and sprucing them up, and, you know? And so they came to us and they're like, “You know, we had capital we could make this work. We have a vision.” They had a business plan, they had a bunch of the right things wrong with it, you know? And so, they were our first project.

Della Duncan: In the last two years, Rich City Rides has grown into a successful business on Macdonald Avenue, and is one of the only locally owned businesses on the block. Not only has the store created meaningful work for three men who were up against a capitalist economic system that would have preferred to extract value from their labor or profit from their incarceration, but Rich City rides has also become an important part of the Richmond community, putting together social bike rides and running a bunch of different programs, such as the “earn-a-bike” program that encourages youths to work on projects collaboratively and gives prizes out to members who bring their parents along on special family bike tours. They also offer free bike clinics once a week, where locals can come in and learn how to repair their bikes using the shop's tools.

[Rich City Rides Bike Clinic]

Najari Smith: Fix it Fridays, here at the bike shop. If you are attempting to do a repair, and you're not quite sure how to do that, we'll lend you the tools, we'll talk you through it and show you how to do it.

So we have this thing, it's called the bicycle recovery. Can I can I humor you with this—with this tale of—we have a bicycle recovery program. You know, so far we've recovered forty-one bikes since we've been in existence. And a gentleman came in with a bike—we know these bikes because we just—it's a close community. Gentleman comes in with a bike and we look at it, and somebody—I tap one of my partners on the shoulder, one of the other co-owners, and I say, "Hey, that's such and such's brother's bike." And he's like, "Yeah, that is!" So, my partner tells him that he can't leave out the shop with that bike, because the bike stolen. And he's like, "You know, I just bought this bike." You know, he got it for like twenty dollars. And we say, "We understand that, but the bike is stolen, we know whose bike that is. You can't leave here with the bike. You can either way for the owner to come, or the police." I go and I close the gates, you know, I close the door, pull the gates closed, and the guy with the bike immediately has a reaction. He jumps up and he's like, "So you're going to call the cops on me? You're not going to let me out of here?" Louder, way louder than I'm saying it now. And, you know, he tensed up. You know, it looked like this could have become a physical altercation. And we—he tells us the whole story. He says, you know, "I just got—I just came back to Richmond. Every time I come the Richmond something like this happens," you know, "I grew up here," giving me the whole story of just his day's been, his week's been, how he just got out—just got out of jail. And this happens. And the bike—it belonged to one of the, one of the folks who rides with us, you know, it's his little brother's bike, his little brother rides with us too. And we're hearing this, and he yells, you know, we reiterate, you know, "We—we're giving you a chance, you know, you can't leave with this bike." And he just yells, "Satan keep's expletive with me." You know,, really agitated, immediately one of the other co-owners, he grabs a bike that was donated to the nonprofit that we work with and he says, "You know what? Take this bike." You know, "You can't leave with this bike"—and the bike that we gave him was exceptionally better than that bike. And, you know, the guy starts tearing up a little bit. You could see like a tear welling up in his eye. And he's just so thankful. He came back to the shop several times after that. You're not going to get that experience in Target. He won't get that at Wal-Mart. Walgreens is not going to say, "Hey," you know "You stole that pot." You know? "That pen is ours." We know who that—they're not. They're gonna—it's a different experience. We actually turned a bad situation into a positive, friend-building, community-restoring scenario. You know? And it's not the first time things like that have happened. People feel comfortable here in a way that I just— I don't see in a lot of the spaces. You know? We know their names, they know each other's names, people—it's a community space.

[Interlude]

Gopal Dayaneni: Cooperatives allow us to do things that the extractive economy won't do.

Della: This is Gopal Dayaneni again.

Gopal Dayaneni: We would never exclude folks because they were formerly incarcerated because we don't believe humans belong in cages. We would never exclude folks based on their status as documented or undocumented because we recognize the border as an enclosure enforced through violence that fragments ecosystems and communities. So, we are able through cooperation to actually live our values in a way that is foreclosed upon in the dominant economy,

and particularly for those who are most excluded—because that's where—the measure of the success of our political projects is how well it meets the needs of those whose needs are met least by the dominant economy.

Esteban Kelly: Worker co-ops used to be a strategy for people to opt out of the economy and do something alternative. And now it's a mechanism for people to opt in.

Della Duncan: This is Esteban Kelly again.

Esteban Kelly: Mostly low income people, poor people, immigrants, people of color, formerly incarcerated people, who have not had a strategy or an option to enter into a formal economy in a way that was not completely extractive or demeaning and demoralizing. And so worker co-ops have been adopted at the fastest rate from historically marginalized people in the U.S. as a way to enter into the economy.

Doria Robinson: The democratization of the workplace is something that can't be underestimated, in a worker cooperative that's really run through democracy, through voting, through each owner having a say in, you know, the day to day decisions as well as the trajectory of the enterprise. That's really big, especially in communities like this where power has really been taken out of the hands of the people and people are meant to just be arms and legs—extra appendages for the people in power. That transition of decision making, as well as the transition of profit making to the people, and the transition of accountability and responsibility, is truly transformative.

If you take somebody who has just never been in that place where things matter so much, what they do and what they consider in the decisions that they make, their whole livelihood actually depends on them completely showing up—that's transformative. You can take that, practice that in your democratized workplace, but then, once you kind of get a taste of it, it kind of spreads—you don't want to stop. As soon as people really get a taste of being in a position of power, being in a position to make decisions that impact yourself and other people who depend upon you, that impact your livelihood, that extends out to other things, right? It doesn't stay within that realm, especially because even just running a business you realize that the you know the city government impacts you, and decisions that are made around the streets impact you, and all these different things start to—you realize all the things that impact you, and that you actually do have a voice, and that you can stand up and you can advocate for things. That's—that's really the goal.

[Music Break — Jerry Folk]

Della Duncan: The Story of Rich City Rides is even more radical when you find out how few cooperatives there actually are in the United States. Remember earlier when we talked about how the number of worker co-ops in the US is growing? Well, they are, but there's only actually a very small number of them. As of 2015, there were only 323 worker coops in the entire United States, and only forty-eight here in the Bay Area. Compare this to approximately 2,000 in France, 25,000 in Italy, and 100,000 in Venezuela.

One of the of the biggest barriers faced by the cooperative movement in the US is that people simply don't know that they exist. Other challenges can be finding the initial capital to get started

and navigating legal issues. This is why organizations that support cooperatives, like Cooperation Richmond, as well as others like the US Federation of Worker Cooperatives, the Sustainable Economies Law Center, and the Working World, are so important—they provide the legal, financial, and technical assistance that traditional institutions don't. But ultimately, there's something else that lies beneath all of these challenges, a deeper issue that explains a lot about the state of cooperatives in the U.S.

Doria Robinson: One of the biggest challenges that's really on point right now is just the culture, right? The current culture that people are living in—their worldview, their frame of mind—defines success in a way that is not necessarily in alignment with cooperative values. So much influence around dominating the market, or getting the most of out every sale, or, you know—not on the other values that you could bring to an exchange. The collective has really been destroyed in kind of modern capitalist, industrial capitalist, post-industrial capitalist world.

[Cafe Background Clip]

Roxanne Villaluz: So I'm Roxanne Vallaluz and I currently live in Richmond, California. Born in the U.S., my parents are born in the Philippines, but my native language is actually Ilocano, it's not English. I currently work in a cooperative bakery and pizzeria, and I'm a professional cook and baker.

One of the things that's kind of stark for me living in the U.S., but not kind of being raised as an American, I guess, was that I never worried about food, or clothing, or shelter. Even though we had very little money growing up, and I realize that's not really normal in the U.S.—that folks are often struggling around those kinds of things. And so, for me, I never struggled, because our community was like, "You're going to have these things." Like, "No matter what happens to you, no matter how much money you have, you will never have to worry about where you're going to sleep, what you're going to eat, and what you're going to wear." And so this sort of idea of taking care of community and finding ways of working around systems, and how do we care for each other, was something that really drew me to a cooperative, because I felt really strong that that was the—at least the principles and values of the cooperative, is that we take care of each other, there isn't a boss, there isn't somebody that's above you, no one is better or worse than you, you're all the same, you're all equal, and you all have one—they always say "one voice, one vote." And that seemed very in line with the way I was raised.

Della Duncan: Roxanne spent many years working in traditional institutions, but grew tired of their hierarchical nature and left them to work in a cooperative. She quickly noticed though that although there were many positive differences in her new work environment, there were still many aspects of traditional workplaces that seemed to seep in to her daily interactions with co-workers. We asked her why she thought this was.

Roxanne Villaluz: If folks don't have training and/or resources, and just conversations about capitalism and why a cooperative is different, then I could see how what you're brought up with would leak into your workplace. Even if you're, you know, really excited about having equality and equity, but if you're grown up or told that well, certain people have power, and certain people don't, then when you get in a position where you're like, "Oh, I have some power," I think becomes kind of part of how we function. Like, it's almost unintentional and accidental that you're like, "I have this power, and I'm wielding it ways that I don't understand but I'm going to do it because

that's the model that I know." And so it's just very interesting to see how folks—we learn these lessons and then we don't know how to unlearn them. And we take them into places and spaces where all of us kind of have this desire to do something magical, but then we impose these boundaries on that magic.

Esteban Kelly: For most of us, we don't come from a culture of solidarity, mutualism, cooperation, right? Like most people's resumes and their work experience—or even for young people coming out of traditional hierarchical schooling. It's not about participatory engaged facilitated processes. So, yeah, we have this structure, we have this business model where things can be all horizontal and democratic, but the workers themselves have to go through a lot of unlearning of traditional practices around scarcity, cynicism, and skepticism, and to build up the kinds of skills to run things in a way that's transparent and democratic.

Roxanne Villaluz: Folks want to be in a cooperative but I think you also have to know what the counter is to that. If you don't understand capitalism, then you don't understand when you start to adopt principles—or when you start behaving like, you know, a franchise, or something that's very driven by profits and customer satisfaction. I think in the Bay Area, we're like at the planting seeds stage and it can either die, or it can either spread.

Della Duncan: To learn more about the interplay between cultural values and cooperatives, we spoke with Gorka Espiau, a researcher based in Bilbao—a city located in the Basque region of northern Spain—whose work explores innovation models and their relationship to cooperatively structured workplaces.

Gorka Espiau: Yeah, it's fascinating that you're coming from the Bay Area because actually I think there is at the moment the global discussion about what are the innovation models. And there is one leading innovation model that comes from the Bay Area that is based on the individual talent, and that in our experience is a myth, because there is no single company that is based on the individual talent. There is always a collective action around it. But what is interesting is that in the Bay Area, you have created a narrative about it that is conditioning the way that things are operating. So this is the story that people are telling about what innovation is and how innovation operates.

Della Duncan: When Gorka talks about narratives, he's referring to what is called in Critical Theory the *metanarrative*, an overarching account of a society's beliefs that gives people within that society meaning and legitimizes their experiences. It's like the ultimate story that underpins the values of any culture, and is often held unconsciously. The Bay Area's metanarrative drives our idea of how social innovation works. It explains why folks here treat Elon Musk, Mark Zuckerberg, and Steve Jobs like gods, fetishizing the individual and completely erasing the community that supported them, the public infrastructure that grounded them, and the collective wisdom that they built on. It explains how people can rationalize billionaire CEOs and minimum wages that nobody can actually live on. This mindset probably sounds familiar to anyone living in the Bay Area, California—and even maybe the entire United States. But the Basque narrative couldn't be any more different.

[Basque Accordion Music]

Gorka is currently a Senior Fellow at the Agirre Center for Social and Political Studies at the University of the Basque Country, located just sixty kilometers northwest of the town of Mondragón, famous for being home to the Mondragon Cooperatives, the largest ecosystem of worker cooperatives in the world. We're going to dive into the story of the Mondragon Cooperatives in episode two, but the prevalence of cooperatives in this region goes far beyond just the Mondragon Corporation—the whole Basque region of Spain is rich with cooperatives. And it's also one of the most equal societies in the world.

Gorka Espiau: In the Basque Country and in Mondragon, we have a totally different model that says, “No, innovation is not about one individual. Innovation is about the collective capacity to do things differently.” And, instead of saying, “I need to look for the talent, I need to look for the special person that is more intelligent than the others,” and then to pay that person more, the Mondragon model is the alternative. It says, “No, no, no. We all have talents. We have different talents.” We just need to create a collective permission to operate in that way.”

Roxanne Villaluz: I do definitely think there is a mindframe in the Bay Area that folks have certain skills, and if you don't have even the basic skill, then you can't even attempt to do something. So I definitely have heard that, like, when I was doing professional cooking in another place, there was definitely this idea that, “Well, certain people are just better at it.” So even if they have no training, or whatever, they're just better than you. Or this person is better. And so then they got like, special privileges for being a certain kind of way. And I think that that mentality is in complete contrast and conflict with cooperativism. Because cooperativism says, “Anyone should be able to do something with training”. And it might take longer for somebody than someone else. And then, again, it's tied into capitalism where time is money, right? And so I've actually heard people say this, “Well, I don't know if I want to bring that person on, because we're going to have to spend way more money on them training them.” And so it's this notion of attaching value to things, and so if you have to pay more for something, then maybe it's not worth spending that money, or time, on a person because, you know, “we want to save,” or “we want to make sure that we're being efficient.” That gets tossed around a lot: efficiency, you know, making sure that we're doing things as effectively as possible. So I definitely see that quite often around this sort of like, theoretically what a cooperative brings, but then how that bumps up against what folks know or are comfortable with.

Della Duncan: The focus on efficiency and profit maximization are integral to the capitalist mindset and form part of the metanarrative in the Bay Area that contributes significantly to the structural inequality that makes it one of the most unequal societies in the world. And because the stories that we tell ourselves go largely unexamined, they not only shape our behaviors and institutions, but also limit our views of reality and lead us to believe that there is no alternative.

Gorka Espiau: What we are discovering, that actually what is going on, is that, in those stories that people tell in other areas, there is a story about the inevitability of inequality. Like, people saying, ‘Now, I know it's wrong, but there's nothing you can do about it.’ And once that that story is operating, then there is not much you can do. And you see that in London today, probably you see that in the Bay Area, you see it all around the world. While actually here, people know—because they have experienced it—that actually, inequality is not inevitable. That it depends on your decisions as an individual, but actually as a society. So, then you realize that actually, I'm sure if you go to the Bay Area, to certain communities, and you kind of listen to the people in a different way, they will tell you a very different story about who they are, and most importantly, who they want to be, what are they values that would like to be associated with. And that is the

fundamental base for constructing an alternative. Because once that you want to tell a different story, and want to give more power to certain values, then change happens very rapidly.

[Music break — The Roots of Orchis]

Della Duncan: Worker cooperatives are guided by a set of values that cut against the grain of the dominant culture, and unless coops are actively insulated, the values of competition, self-interest, and profit maximization can easily seep in. At the same time, these dominant values make it difficult for cooperatives to grow and extend out into wider spheres of influence. But, perhaps if we are able to intervene at the level of the metanarrative and elevate alternative stories, then maybe the vision that the cooperatives movement holds really can become a reality.

Doria Robinson: How does a small bike shop, you know, even just taking the example of the bike shop, compete against, you know, chain bike shops, that may want to come in, and they realize, “Oh, he developed—they developed the market.” You know, “Let’s come in and swoop it up.” They have economies of scale, they have other things that would make it really challenging for this kind of homegrown enterprise to succeed. I think that, at this point, the only defense that we could really have against that is that culture piece, you know? Like, what do you want more of in the world, you know? More of these kind of chain stores who don’t really care about you when you come in, they make you feel terrible about your bike, or, you know, they don’t really care about you or your business. Or do you have somebody who’s truly invested in giving back to this community, you know?

I don’t think we’re ever going to solve this by having a race to the bottom, and winning a race to the bottom, meaning a race to the cheapest thing, to the best price point. We’re never going to win that race. We have to change minds, and change minds when it comes to, what is the value of work? What is the value of resources? What is the value of the objects that we bring in and out of our life? Whether it be food, or bikes, or energy. And what is the value in the way that those things are created, whether they’re created sustainably or whether they were created in an extractive way. Like, we need to be working deeply on that story changing, culture changing, worldview changing arena. Because we just, I just don’t—I don’t see, from where I stand today, any way to win the race to the bottom, to win the price-point race. There’s no winning in that. Nobody wins. But we just need to be in a different arena. And say it’s actually not about that at all—it’s about this. And hopefully, you know, our arena tastes better, is more fun to go to, people are nicer, you know? And it’s actually worth—the value is worth the cost.

[Outro music]

Della Duncan: Join us for episode two of this series, where we’ll go deeper into the Basque mountains and forests up to the industrial town of Mondragon in northern Spain, to learn what more can be done to help strengthen this burgeoning global cooperative movement as it struggles to find a foothold within the vast, treacherous sea of capitalism.

Thank you to Jerry Folk, Antwon, and the Roots of Orchis for the music in this episode. And thank you to Phil Wigglesworth for the cover art.

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