

Building Economic Democracy

How Co-ops Can Be Agents of Transformation

Presentation to:
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What is Economic Democracy?

“The central idea of economic democracy involves extending principles of popular sovereignty, most frequently applied to the realm of governance and politics, to the realm of economics.”

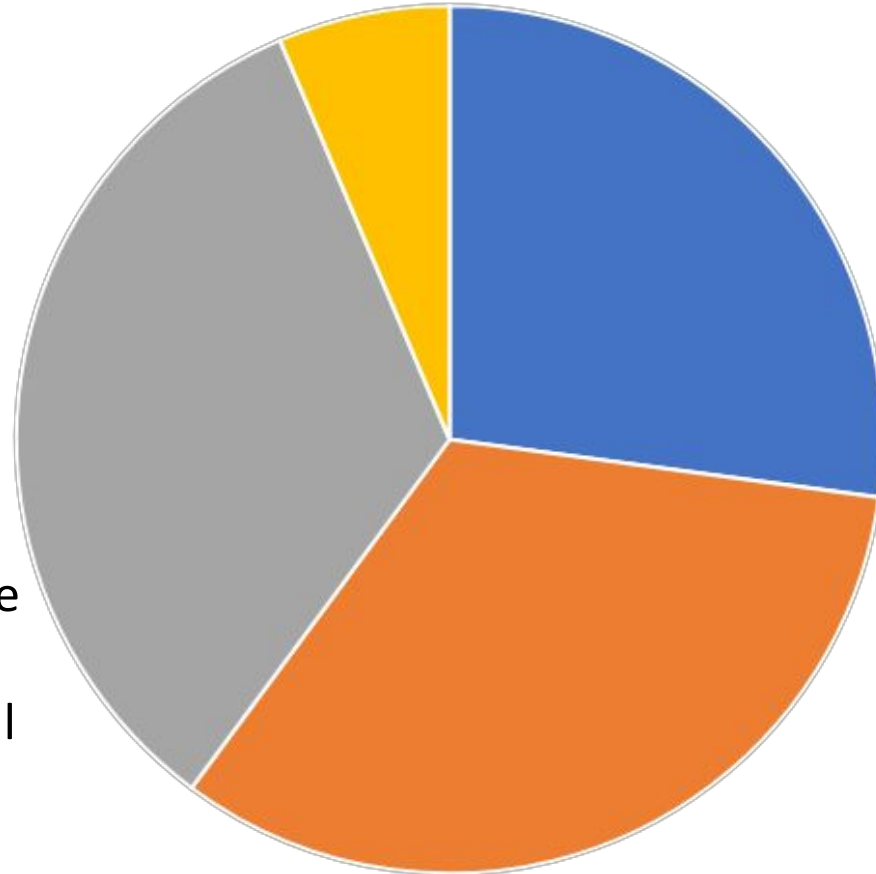
Source: Ted Howard, Steve Dubb, and Sarah McKinley, “Economic Democracy,”
In *ACHIEVING SUSTAINABILITY: VISIONS, PRINCIPLES, AND PRACTICES* (2013), pp. 231-239

US Distribution of Wealth, 2022

Bottom 50%
6.4 percent

**51st through 90th
percentile**
33.4 percent

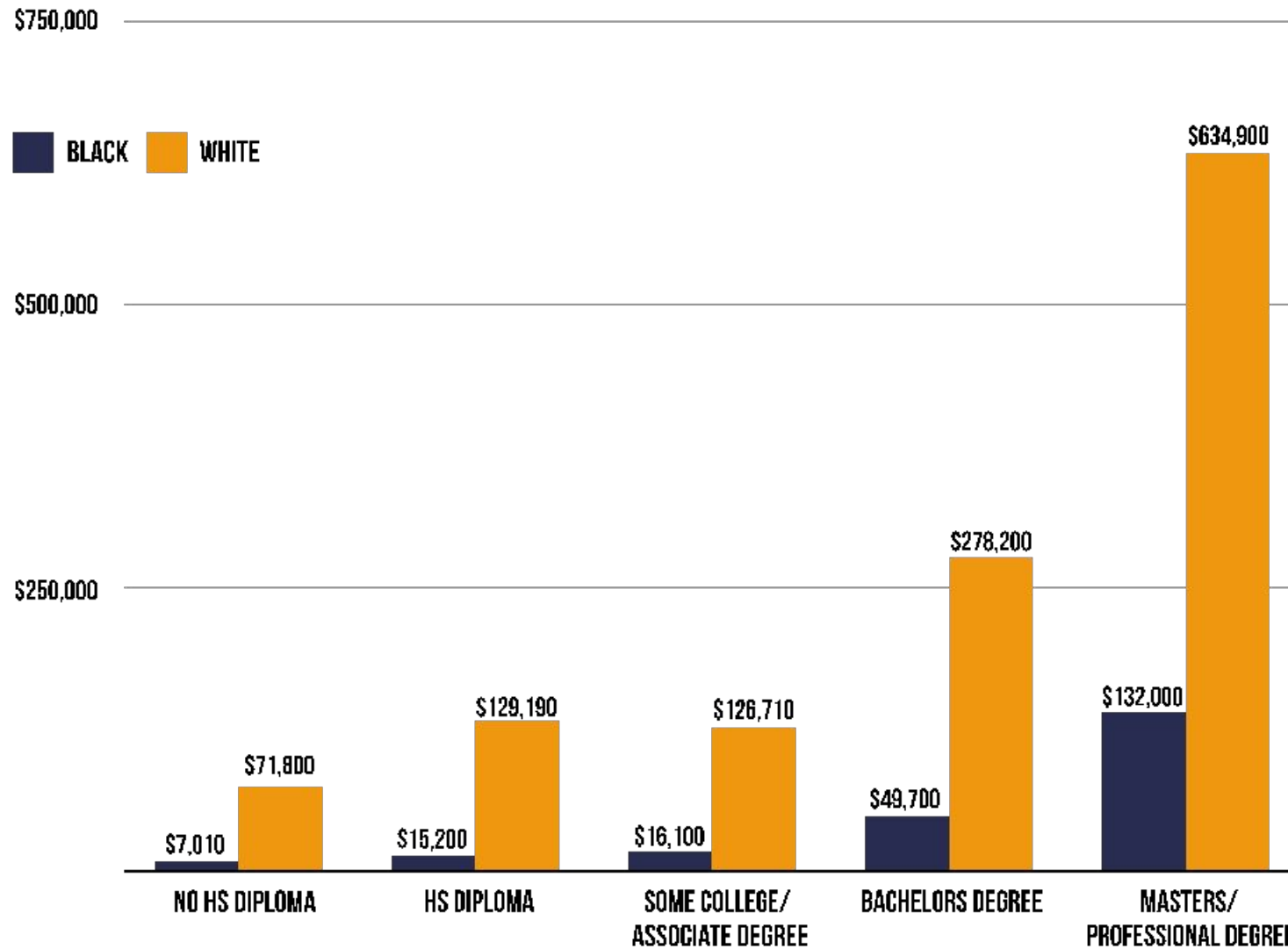
Top 1%
27.1 percent



**91st through 99th
percentile**
33.0 percent

Source: Congressional Budget Office, based on Federal Reserve 2022 Survey of Consumer Finance (includes imputed social security benefits in wealth calculations)

Median Wealth by Educational Attainment Level and Race

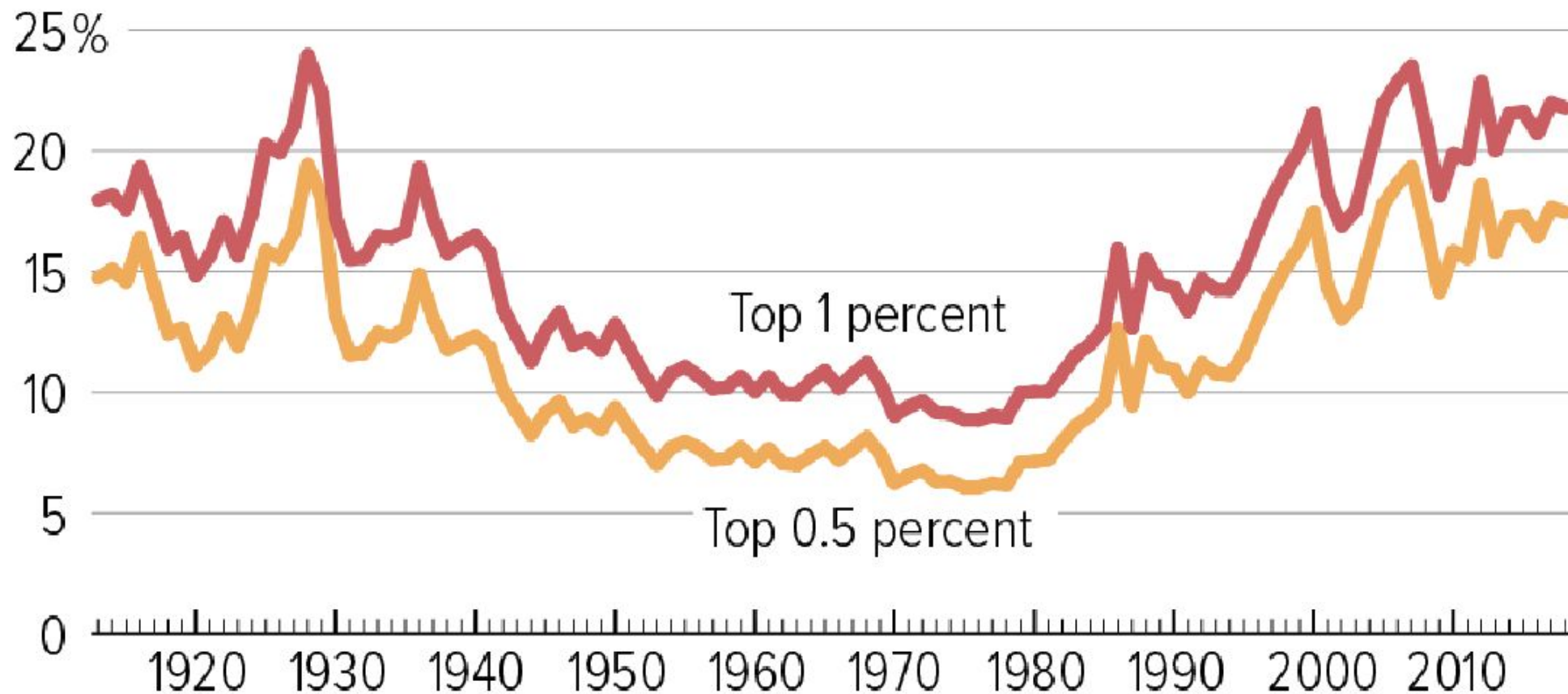


Adapted from *Still Running up the Down Escalator*

Source: Addo, Fenaba and Darity, William Jr. analysis of the Federal Reserve Board, 2019 Survey of Consumer Finances

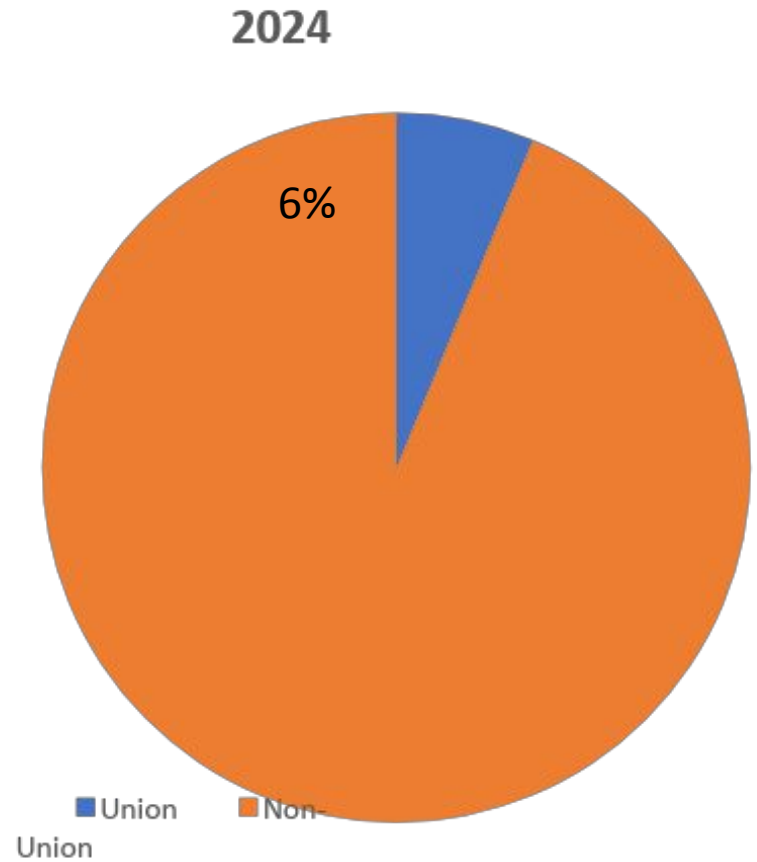
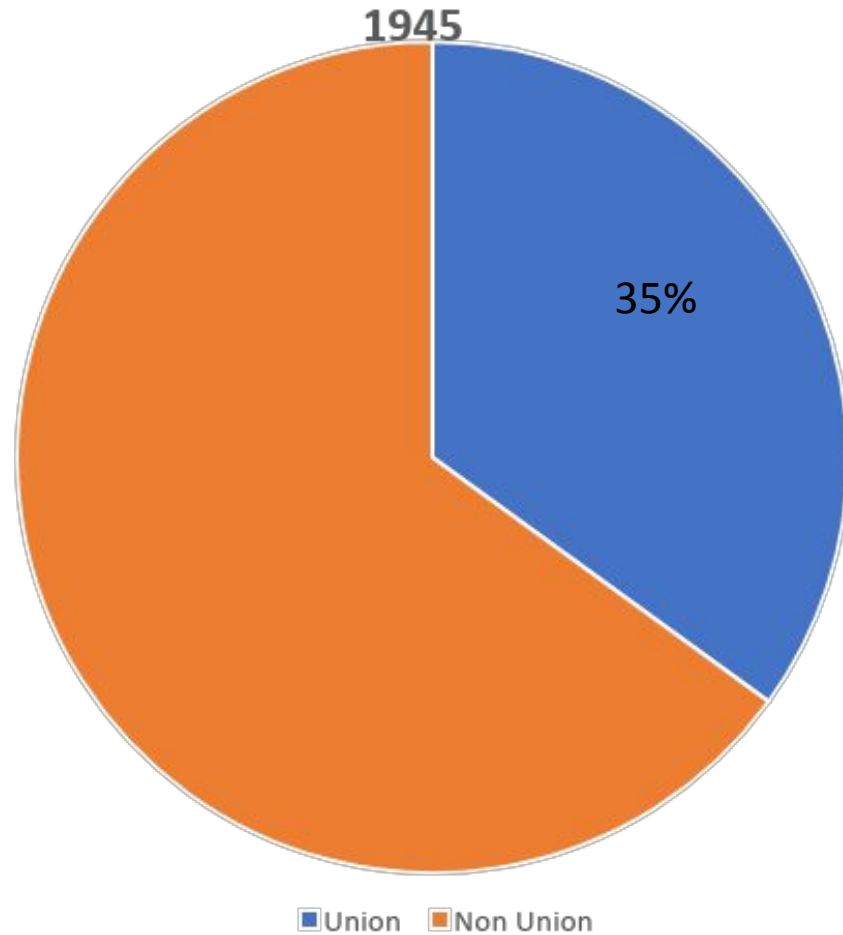
Income Concentration at the Top Has Risen Sharply Since the 1970s

Share of total before-tax income flowing to the highest income households (including capital gains), 1913-2018

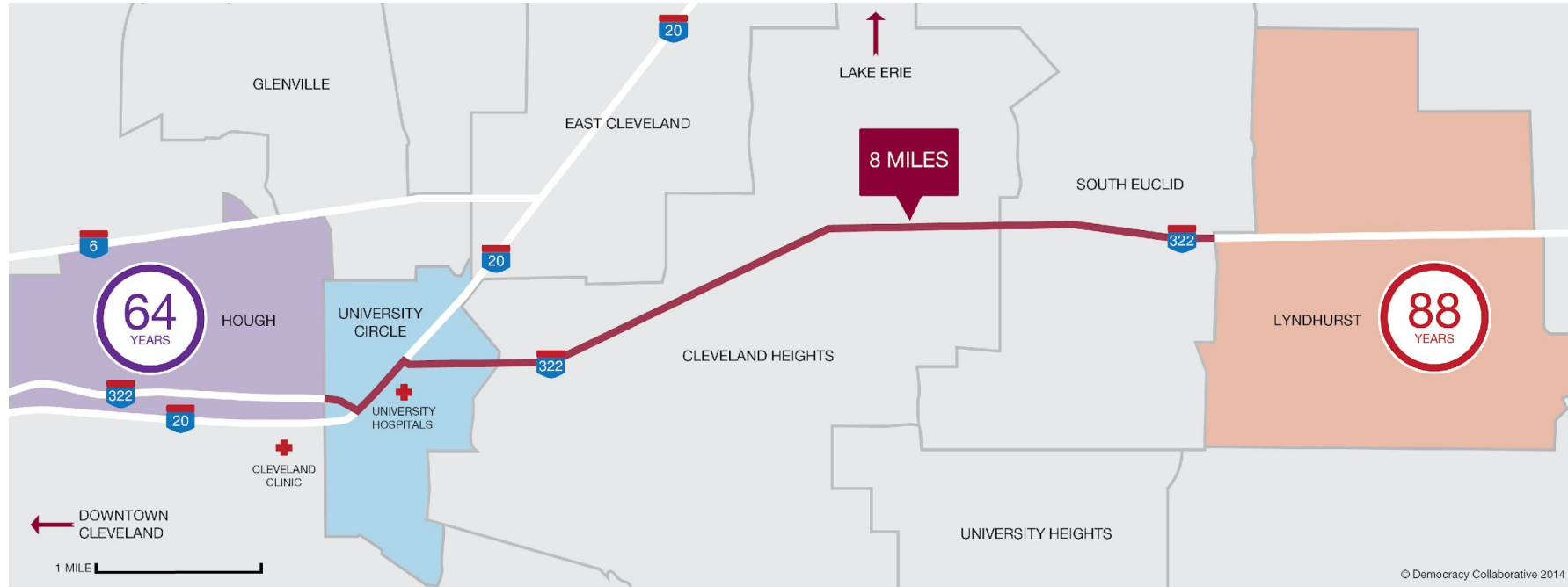


Source: Emmanuel Saez, based on IRS data

Unionization rate U.S. private sector



Place Matters



Source: Life expectancy data calculated by Cuyahoga County Board of Health

What Can Co-ops Do to Advance Economic Democracy?

- **Co-op Identity:** Co-ops are themselves based on democratic principles (one-member, one vote). *Co-ops are economic democracy in action.*
- **Network building:** Co-ops can support the development of networks of co-ops
- **Organizing:** Co-ops can work in coalition to support other institutions (community land trusts, public banks, participatory budgeting) that advance the principles of economic democracy.

Mondragón Cooperative Corporation



Founded in 1956

81 co-ops

70,000 employees

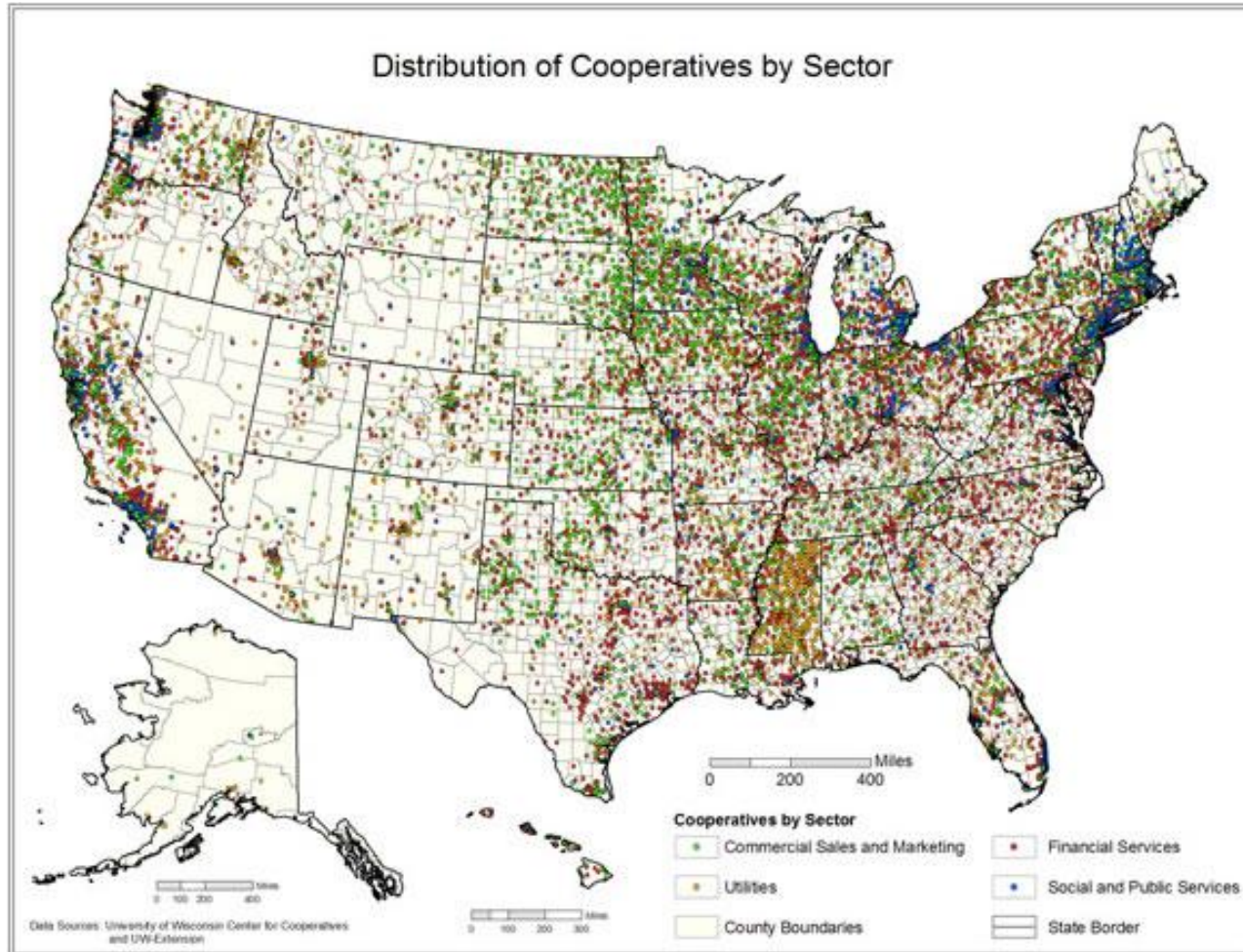
€11.05 billion revenue
(2023)

Mondragón Cooperative Principles

1. Education
2. Sovereignty of Labor
3. Instrumental and Subordinated Nature of Capital
4. Democratic Organization
5. Open Admission
6. (Worker) Participation in Management
7. Wage Solidarity
8. Inter-cooperation
9. Social Transformation
10. Universal Nature (solidarity)



30,000 US Cooperatives 73,000 Places of Business



Economic Impact of U.S. Co-ops

Assets
\$ 3 Trillion

Revenues
\$ 654 Billion

**Wages &
Benefits**
\$ 75 Billion

2 Million Jobs
857,000 direct

Source: University of Wisconsin, 2009

Cooperative Home Care Associates



**Employee
Ownership
by People of
Color at
Scale**

Cooperative Home Care Associates was started in 1985 in the Bronx. It now employs 2,000 women of color – primarily Latinas and African Americans.

Additional Tools

Beyond the co-op model, there are many related tools that can advance economic democracy. These include:

- Community land trusts
- Participatory budgeting
- Public banking
- Solidarity economy networks (often co-op-based)

What is a Community Land Trust?

- Non-profit in operation.
- Most commonly “shared equity,” but some trusts hold 100% of equity gain, much like group-equity NASCO co-ops).
- Limits on individual equity gains ensure future affordability, making the housing “permanently affordable.”
- More than 220 nationwide, over 10,000 households

Solidarity Economy Networks

- Montréal: Milton Parc community, one of North America's largest cooperative housing developments with over 600 units and 1500 residents and that sits on a community land trust. Also, a network of enterprises organized through the Chantier. About 11,200 Social enterprises throughout Quebec employ an estimated 220,000:

<https://pennloh-practical.vision/2020/11/07/seeing-solidarity-economy-in-action-in-montreal>

- U.S.-based networks are more modest, but many cities are growing their own networks. Examples include Cooperation Cincy, Cooperation Dayton, Co-op Lab L.A., Cooperation Buffalo, Repaired Nations (Bay Area), Beloved Community Incubator (Washington, DC)
- <https://nonprofitquarterly.org/series/solidarity-economies-building-community-power>

Solidarity Economy: Movement Resources

- Solidarity Economy Principles:
<https://solidarityeconomyprinciples.org/>
- New Economy Coalition:
<https://neweconomy.net/solidarity-economy/>
- US Solidarity Economy Network:
<https://ussen.org/>

Recent Articles on Economic Democracy

How to Restore Community Economies: Reestablishing the Right to Associate

<https://nonprofitquarterly.org/how-to-restore-community-economies-reestablishing-the-right-to-associate/>

Pathways to Democratic Business: What Two Co-op Networks Can Teach Us

<https://nonprofitquarterly.org/pathways-to-democratic-business-what-two-co-op-networks-can-teach-us/>

Building Solidarity Economies—Stories from Worker Co-op Members

<https://nonprofitquarterly.org/building-solidarity-economies-stories-from-worker-co-op-members/>

Building a Solidarity Economy in the South (and Beyond)—Cooperation Jackson

<https://nonprofitquarterly.org/building-a-solidarity-economy-in-the-south-and-beyond-cooperation-jackson/>

Thank you!

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