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These articles are our initial efforts to explore questions that come out of our experiences with collectives and collective process. Our purpose is to broaden the discussion to include more people concerned with these issues. Continuing the dialogue about the experience of working in a collective and their role in social change depends on your critical responses (articles, specific criticisms, etc.).

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## WORKER COOPERATIVES and COLLECTIVES by JOHN CURL

Throughout the U.S. today there are thousands of small work groups organized on a cooperative or collective basis. Workers have organized these groups to provide mutual survival aid to each other, while achieving freedom from the bondage of wage-slavery under the dominant capitalist system. Most were formed with few resources, in fields that require no great outlay of capital for machinery or raw materials. The workers in many started out semi-skilled. By pooling skills, energy and resources, they found they could do together what none could have done alone.

There are cooperative and collective bakers, teachers, truckers, mechanics, farmers, carpenters, printers, food-handlers, cabinetmakers, taxi-drivers, medical workers, sellers, artists, technicians, machine-operators, editors, cooks: almost everywhere in production, distribution and service except heavy industry. They operate in areas that capitalists like to reserve for small businessmen and contractors, and in the areas independent individual workers try to stay afloat in.

There are several types of worker cooperatives and collectives in the U.S. Their basic ingredients are equality and democracy among members. Sizes vary from a handful of people to dozens. Their structural variety is due partly to differing modes of production (the structure of the work determines the organization of the workers) and partly due to individual preferences.

In the terminology in general use today, "cooperative" and "collective" are not synonymous.

For decision making, cooperatives have traditionally had a majority-rule voting system: one member - one vote. Collectives, on the other hand, have a consensus system. Unanimity rules; that is, decisions are made only with unanimous consent.

For property owning, cooperatives have traditionally had a share-system. Members own shares in the property of the "enterprise"; new members buy in and departing members are bought out of shares. Collective property, on the other hand, is owned by the ongoing group as a whole: departing members have no claim upon collective property, at least as long as the collective stays alive.

For member input, productiveness, responsibility, rewards, etc., cooperatives have traditionally placed stress upon a numerical equality among individual members. Collectives, on the other hand, stress an over-all functional equality in the group as a whole, and try not to get hung up in numerical exactness. For example, if a group were digging a ditch cooperatively, they might decide that each would spend two hours at it or that each was responsible for finishing six feet. If they were digging the ditch collectively they would just do it together and not worry if one did more than another as long as it felt okay.

Most groups today use a combination of the two systems. While paying work might be organized cooperatively, cleaning the shop might be done collectively. Most groups use the collective decision-making structure, for it prevents factions from forming and brings the group personally closer, therefore strengthening it. A group can own some tools collectively, while other tools are owned cooperatively by two or more members but used collectively by the whole group.

Either term can refer not only to the organization, but also to the physical group of members. "We are the collective."

The most socialized form of worker cooperation or collective takes in all work through a central organization. Any type of operation from a small print shop to a large trucking group can be run this way. In the past in the U.S. (and in other countries today), this form was commonly used in heavy industry such as mills, mines and foundries. Workers variously choose to pay themselves a simple equal salary or equal hourly-or-productiveness rates. Some temper this according to members' individual needs.

A less socialized form is often used when artisans such as woodworkers or potters, or skilled trades workers such as garage mechanics share a workshop and major tools, but take in work individually or in

sub-groups of two or three. Those doing a job together practice work-democracy and take the same pay or wage. The collective or cooperative keeps the shop together.

The simplest, loosest type is used by workers who need no stationary machinery or even a shop, such as carpenters or house painters. There may be no permanent organization at all; it may exist just on a job-to-job basis.

Most worker collectives and cooperatives were organized by small groups of workers and remain independent and autonomous. There is much mutual aid among groups however, particularly those doing related work, and in some sections of the country there are organized movements. On the West Coast, the Food System is the most developed. In the South, the Federation of Southern Cooperatives has done extensive inter-group organization. A common form of cooperation among groups is in purchasing of materials and distribution of products. This is often necessary because capitalist wholesalers, middlemen and sales outlets usually scalp the small producer.

Labor exchanges are another form of intra-group cooperation. These cut through the money-value system in which each different type of labor is worth a different market rate. The exchange is made either job-for-job or hour-for-hour.

There are various legal forms worker collectives and cooperatives take.

State ordinances in many parts of the country (including here in California) recognize the cooperative as a legal form. However, code insists that cooperatives have a corporate structure. This, in effect, outlaws the collective system, which is forced into an underground existence. For this reason, few worker cooperatives or collectives take the form of the legal cooperative. They choose instead to maintain a dual system, with their actual structure semi-visible beneath one front or another.

Cooperative laws can be found in California Corporation Codes 12201, 12400, 12600 and 12601. "The officers of every cooperative corporation shall be a president, one or more vice presidents, who shall be directors, all of whom shall be elected annually by their members." "Every cooperative corporation shall be managed by a body of directors." Etc. The cooperative, unlike the corporation, is not permitted to choose its own articles and by-laws. This is to prevent workers from forming un-corporate or anti-corporate organizations. The only legal cooperative is a share-system. It is partly due to this system and the abuses it is prone to, that most worker cooperatives in

the past have deteriorated to capitalist corporations after several years. Shares can be sold to non-workers to raise capital. Former members can retain shares. Although one member can have only one vote in management and direction, no matter how many shares owned (this being the main way the legal cooperative differs from the capitalist corporation), more shares mean a greater cut in "surplus earnings", which the cooperative regularly distributes among its shareholders just like a corporation, only the corporation calls it "profit". Also, as the cooperative accumulates property a share becomes more valuable, therefore costing new members more to buy in and limiting the possible applicants to those who can afford it. This type of cooperative has often wound up hiring non-members to work alongside members, often paying them lower salaries, and hiring managers. Also, workers have often been gradually more and more outnumbered by non-worker shareholders.

In view of these undesirable qualities of the cooperative laws, few worker groups take that form today. Most cooperatives and collectives prefer minimal legal hassles. Some simply put up a facade of an ordinary business. This can usually be done by one or two members getting a business license and taking out a d.b.a. ("doing business as..."). A non-profit corporation is a good front if the group is doing educational work "primarily". It offers the possibility of tax-exempt status. The joint-partnership is the same as a two-person partnership but with more people. This form is a share system like the legal cooperative, and contains many of its disadvantages, with the added disadvantage of unlimited liability for all members.

One last possibility is the non-profit unincorporated association. This is the form taken by worker organizations such as labor unions. It can possibly be used when the cooperative or collective itself is not "in business", but is simply providing the setting.

A great many cooperatives and collectives have no legal existence at all, and try to remain as invisible as possible. They operate in the fringe areas of the economy, areas the financeers and big businessmen have found it impossible to control or have chosen to leave semi-controlled

Worker cooperatives and collectives are not new. There were many thousands of all varieties throughout the U.S. all during the nineteenth century and before. Besides spontaneous formations, which were widespread, there were several well-organized mass movements, including those sponsored by the National Trades' Union, the National Labor Union, the Grangers, the

Protective Unions, and the Knights of Labor. These movements posed a threat to the labor and commodity markets and were smashed by the capitalist employers' associations, both by economic means (cutting off credit, as with the National Labor Union; price wars, as with the Protective Unions) and by political means, using state power (restrictive legislation; police terror against the Knights of Labor).

As a movement, worker cooperation reached its highest development in the Knights. At 700,000 strong in 1886, they were the largest labor organization in the world. They looked not just to better wages and working conditions of their members, but to build a chain of worker cooperatives that would give their members an alternative to wage-slavery and bossism, gradually bringing in the entire class of workers who are employees under capitalism, and creating a "Cooperative Commonwealth" on the North American continent. The trashing of the Knights and their almost 200 cooperatives marked the beginning of the ascendance of their smaller rival, the AFL. From then until now "bread-and-butter" trade-unionism is all the capitalists would permit in the USA.

Today's worker collectives and cooperatives are in a way a renewal of that tradition. They first began appearing in communities throughout the country in the mid-sixties, expressions of that spontaneous upsurge of feeling the mass media called "counter-culture" or "alternative". While thousands of city people moved out into rural communes and cooperative communities, many more thousands stayed in their own communities and worked to create a survival network outside of and against the capitalist system.

The collective structure was developed at that time. A collective is a group in which all members have equal power and decisions are made by consensus, with unanimous consent. A collective can be formed for almost any project. It will last as long as the project, a few hours or many years; it can be small or large. Its strength is that it provides a real equality instead of just a formal one, prevents factionalism and creates a more together group.

It became one of the vehicles that brought about this renewal of the worker cooperative movement. While the old cooperative share-system structured the group as a collection of individuals coming together over some mutual self-interest, the collective system structures the worker cooperative almost like a family.

Because collectives take in new members unanimously, it makes for more group commitment. On the other hand, without a share-system there is not too much hassle

when members leave or obstacles when new members join; this makes for a freer, more open group.

Although today's uses of the collective structure are new, it has deep roots in American history. It is a natural structure. Kids all over the world form collectives to play games. American settlers formed mutual-aid collectives to help each other raise barns and houses, build roads, fences, etc. The councils of many Indian tribes were collectives, including the Iroquois Federation, on which the US federal system was partly modeled (not using this feature however).

The end of the Vietnam War and the downfall of Nixon, removed much of the immediate drive for creating an anti-bossist, anti-capitalist worker-controlled and self-managed survival network. Capitalism's collapse and/or transformation into fascism seemed to many pushed into the future. Yet all the same problems were there for working and poor people, so, although the mass media stopped talking about the "counter culture", the cooperatives and collectives continued to grow and spread.

We are still in an embryonic stage. Worker cooperation and collectivization in America is a new science and technology for which we are laying the groundwork through our practice. We hope this directory will help us get to know each other a little better, so we can work out together where we want to go.

END



updated listings  
1980-81

# Bay Area Directory of COLLECTIVES

LISTINGS, MAP  
and ARTICLES



HOUSEHOLD BASEMENT AND WORKSHOP

**WORKER CONTROLLED — AUTONOMOUS  
NON-EXPLOITIVE — DIRECTLY DEMOCRATIC**

## BAY AREA COLLECTIVES

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## HEARTWOOD

by John Curl, edited by Heartwood

Heartwood is a collective-cooperative of four women and five men woodworkers sharing machines, knowledge, skills, energy, resources, and a fairly large well-equipped shop in West Berkeley, where we've been since our founding in 1973. Some of us specialize in furniture, some in cabinetry, almost all of it custom work, and one produces toys.

We are a collective politically and a cooperative economically. Our decision-making system is collective: all members are equal and decisions are by consensus. The collective operates the shop, owns much of the equipment, and provides some basic materials such as glue, rags, dowels, nails, and sandpaper. Our economic system is cooperative: we are each responsible for an equal and fair share of the expenses and work involved in upkeep, maintenance and improvements. Since almost all the work in the shop is fine woodworking done separately by each member (with a little help from friends), and is not collective or mass production, the collective as a whole does not contract work. Technically the shop is an unincorporated association and we are each self-employed.

The collective consensus system as we use it is mostly loose and informal. Important decisions are made at weekly meetings, and nothing is considered decided until everyone agrees or consents; one strong dissent is all that is needed to prevent any decision. In important questions, such as choosing a new member, this system is invaluable and has greatly aided our togetherness as a group: it has prevented the divisiveness that would inevitably be caused by taking in a new member over minority dissent. On a day-to-day basis, between meetings, whoever is in the shop at the time makes decisions, which can always be changed or rectified by the larger group.

We are non-hierarchical: no one has any permanent shop job or position of power. There is one special job we call the *dungaloz*, which changes monthly in rotation; this person chairs meetings, makes sure all the basics (such as paying rent and bills) are taken care of, and does odds and ends relating to overall shop functioning. There is also a list of maintenance jobs, which change weekly.

Some of our machines are owned by the collective and some belong to individuals and sub-groups, but all are used and

maintained collectively; the shop is responsible for replacing anything worn out or damaged. Each of us has hand tools, and we all have use of each others' when we need them.

Our collective-cooperative system is typical of groups of artisans: the means of production is individual. The artisan collective-cooperative is a form clearly distinguishable from the older-style artisan cooperatives that were common in America in the 19th century, which were typically share-owning systems, one member-one vote, majority rule, while we choose the collective consensus decision-making system and invest ownership of the shop's capital (machines and fixtures) in the ongoing collective and not in shares owned by individual members: this has aided greatly in keeping our shop open to new members irrespective of their financial resources, since we are not hampered by departing members having to be "bought out" and new members having to "buy in."

Although the ongoing group has guardianship over the collective capital, it does not have absolute ownership, which is also partly vested in former and future members. Should the shop ever plan to dissolve, we have an agreement that a meeting would be called of everyone who was ever a member, to decide what to do with the stuff; the length of time each person belonged would generally determine the size of his or her say or (if it came to that) share. This system has helped create a situation where membership can change without too much trauma to the shop and without anyone having to feel ripped off.

Heartwood came out of Bay Woodshop six and a half years ago, when Bay Warehouse Collective folded. The Warehouse was a large centralized worker collective consisting basically of three shops, auto, print, and wood, sharing income and paying members salaries partly based on need; it also had a number of connected operations, including an electronics shop, a pottery studio, a theater, and a food conspiracy. Bay Warehouse in turn was formed out of the wreckage of an "alternative" school, Bay High, which was begun in '70 partly with Whole Earth Catalog funds. The shops were training students in skilled trades in a non-authoritarian environment, meanwhile doing actual commercial work and bringing in a sizable portion of the school's income. But a struggle developed between the "administrators" and the shop workers over the workers' demand for real instead of merely nominal collectivity. The administrators and academic teachers were mostly the same people, and their refusal to do a share of the physical maintenance work precipitated an unbreachable split. In '72 the school was dissolved by mutual agreement, the administrators went their way, and the shop



workers, together with a number of former students and a few new people, formed the Collective, and 35 members in all, mostly young adults, with a few younger and older. We functioned pretty well for a group whose average skill level was not nearly as high as we'd have liked, and whose financial and "business" knowledge was even lower. But we were overburdened by the space itself, which was too large for our basic operation, and therefore cost us too much rent. We never got beyond paying bare survival salaries, which caused us to be unstable, with more turnover than we wanted and needed. Finally in the Fall of '73 we realized we would not be able to meet our rent and decided to dissolve Bay Warehouse Collective and split into three smaller collectives based on the three shops, and each find a smaller separate space. Inkworks, Carworld, and Heartwood are all still functioning today.

Heartwood remained a centralized collective for a short period



**Heartwood: out of the sawdust in a party pose.**

of time, until consensus was reached that the cooperative economic system would be best for us. The reasons for this were: the actual work being done was almost entirely on the scale of one or two workers per job; we found that as our skills grew, so grew our interest in fine woodworking over mass production; our skill level had risen to where all could hold their own economically; centralized economics only added a complicating factor between worker(s) and customer; the decentralized system permitted each member's income to vary with actual productivity; fine wood working involves constant subjective judgements, both esthetic and structural, and we preferred the freedom to explore these each in our own way.

Over the years around thirty people have so far been members of our shop. We have been able to maintain a cohesive center, while membership has slowly but almost entirely changed. Our solidity and longevity can be attributed partly to our system being very simple and based on practicality, arising from our actual needs and the conditions of the industry itself. We each came to the shop without the technical knowledge or economic resources to set up adequately on our own, and that was a major factor in what brought us here together along with the simple desire to work with other members of our trade in an equal and democratic situation. While advanced technology has greatly expanded the capabilities and productive powers of all woodworkers, it has at the same time narrowed the number able to "make a living" at it independently, due to the machines' expense. Within the system of private ownership of machines, a nail gun hooked to a compressed air system is less democratic than a simple hammer, because fewer workers can afford it; at the same time, high technology dominates the industry and makes it impossible for workers to be productive enough to easily survive using the simpler machines and tools. A collective-cooperative like ours reverses this process and democratizes access to tools, offering its members a means of survival outside of working for some wealthier person as employees or somehow raising the capital for individual shops.

Now that our skills are high enough that we could each set up separately if we so chose and had the money, still we all prefer to remain part of the collective, not only for the physical, economic, and moral support we get from it, but, in spite of minor personality difficulties such as occur in every group, we basically like and respect each other, and enjoy being in the shop together, and in the end that may be what counts most. □

Heartwood, February 1980: Jed, Liz, Lynn, Rick, Michael, Sara, Bill, Priscilla, John.