

**Cooperative
Economics
Alliance of
New York City**



**Summary of Findings
April 2014**

**Cooperative Economics Alliance of New York City
Steering Committee:**

- Lower East Side People's Federal Credit Union
- New Economy Project
- NYC Network of Worker Cooperatives
- SolidarityNYC
- The Working World

Expanding New York City's Solidarity Economy

Another world is possible — it's already here.

Introduction

A vision of a community-led “solidarity economy” is capturing the attention of a new generation of progressive New Yorkers.¹ Seeking to address the ecological, economic, and political crises of our time, local groups are reinvigorating cooperative economic models and inventing new ones, putting into action a vision for an economic system that is based on values of social and racial justice, ecological sustainability, cooperation, mutualism, and democracy. They are creating and sustaining worker cooperatives, community development credit unions, community land trusts, low-income housing and food co-ops, and community gardens -- strengthening neighborhoods, making them more resilient, and meeting community needs.

Together, these efforts offer a pragmatic vision for grassroots, community-led economic development that benefits all New Yorkers. Through democratically-structured local institutions, marginalized New Yorkers, in particular, including low-income immigrants, women, and people of color, are gaining control over their workplace, housing, finance, land use, and food. They are also building a movement, as new leaders develop democratic decision-making skills needed to challenge systemic poverty and oppression.

The expansion of New York City's solidarity economy is now more necessary than ever. The large Wall Street banks have more than rebounded from the global economic crisis they caused. Meanwhile, New York City continues to be plagued by an ever-widening wealth gap and persistent neighborhood poverty. Many low-income neighborhoods hit by Hurricane Sandy have yet to recover, and the likelihood of recurring environmental disaster looms.

In response to these realities, and recognizing the solidarity economy as necessary to achieving resilience, economic justice, and community equity, leaders from five organizations last year formed the Cooperative Economics Alliance of New York City (CEANYC). To date, CEANYC has functioned as a steering committee led by the Lower East Side People's Federal Credit Union, New Economy Project, NYC Network of Worker Cooperatives, SolidarityNYC, and The Working World. CEANYC's threshold objective was to assess the feasibility of creating a multi-stakeholder organization that could bolster and bridge various sectors of the solidarity economy in New York City. The groups' ultimate objective is to build a solidarity economy in New York City that has lasting power, and fundamentally brings about a new economy.

¹ We use the terms “solidarity economy” and “cooperative economy” interchangeably in this report.

Executive Summary

Between October 2013 and January 2014, CEANYC held a series of in-depth focus groups with a range of actors within the solidarity economy. The purpose of the focus groups was to gauge interest in forming a city-wide, cross-sectoral organization that could support and strengthen the solidarity economy in New York City. This report presents a summary of each focus group discussion, common threads raised throughout, and key recommendations and next steps for creating a strong central organization in New York City.

In addition to gathering information from focus groups, CEANYC members SolidarityNYC and The Working World participated in a three-day site visit to Philadelphia in February 2014, hosted by the Philadelphia Area Cooperative Alliance, LCA Community Land Trust, and Mariposa Food Co-op. The delegation met with representatives of a newly formed co-op alliance and a local community land trust, as well as with academics and other researchers focused on the solidarity economy. They discussed the goals and strategies that have guided development of a solidarity economy in Philadelphia over the past 50 years. The group then evaluated elements of the Philadelphia experience that could be effectively replicated in New York City.

Last but not least, CEANYC scanned the field for existing alliances and organizations outside New York, and in some cases outside the U.S., that serve as effective resource hubs for groups engaged in the cooperative economy. CEANYC has identified *Chantier de l'économie sociale*, an organization based in Montreal, Canada, as a possible model to emulate in New York City.²

² *Chantier* stands out for its focus on bolstering the solidarity economy through a combination of capacity-building, financial tools, advocacy, and for connecting stakeholders to one another in productive ways that have strengthened cooperative enterprises, the city of Montreal, and the region. As CEANYC seeks to support solidarity economy initiatives and organizations, as well as communities and movements, *Chantier* offers an inspiring model for dynamic community-led economic development. *Chantier's* founders and organizers are excited by CEANYC's efforts in New York City and have invited us to send a delegation to Montreal to learn more about its work. *Chantier* has worked with organizations in many other countries and, if followed, New York City would be first place its model is replicated in the U.S.






Key Findings & Recommendations

Our key research findings are as follows:

- No solidarity economy has ever grown to substantial scale or strength without an effective umbrella organization, and New York is no exception. CEANYC should engage allies and other stakeholders in creating a strong hub organization dedicated to building the solidarity economy in New York City.
- Focus group participants expressed a common set of pressing needs, across all sectors interviewed. A city-wide organization is needed for external purposes to: (1) raise public awareness about the role and value of cooperatives and the solidarity economy; (2) engage in effective policy advocacy and coalition-organizing; and (3) research and disseminate best practices in the field. The hub organization could meet groups' internal needs by providing: (1) technical assistance to support management and operation of community-led cooperatives; (2) leadership development and political education; (3) communications and marketing support; and (4) access to office and meeting space.
- Many of the groups interviewed, notably worker co-ops, food co-ops, and community development financial institutions, have their own sectoral networks and trade associations. They were generally unaware of organizations and activities in sectors outside their own. A hub organization would allow groups to tap into cooperative economy work across sectors, connect with one another, and place their work within a broader vision and context.
- The recent political sea change in New York City provides a vital new opportunity to incorporate cooperative economic strategies into the city's community economic development policies and vision. It will be critical to bring activities within the solidarity economy to scale.
- A key challenge for a city-wide hub organization will be to balance the needs groups have within their respective sectors with the need to bridge and forge cooperation among the various sectors.
- Once groups that operate within the solidarity economy begin to recognize their counterparts, there will be tremendous opportunity to combine efforts across sectors. For example, struggling low-income housing co-ops in neighborhoods throughout the city could be linked to community land trusts and financial co-ops to stabilize their buildings and preserve desperately-needed affordable housing. Similarly, low-income housing co-ops could engage construction and other worker co-ops to carry out rehab work on the buildings, and they could form consumer co-ops to buy oil and property insurance in bulk.

Focus Group Summaries

Between October 2013 and February 2014, CEANYC convened a series of five separate focus groups, with allies from the following sectors:

-  Food co-ops and food justice organizations
-  Community development credit unions
-  Worker Cooperatives
-  Community-based organizations engaged in new economy initiatives
-  Mutual housing associations and limited-equity co-ops

At each focus group, CEANYC outlined the values and principles underlying cooperative economics and asked participants whether they saw a need for a city-wide entity that could bring together and support disparate sectors of the solidarity economy. CEANYC asked groups whether such an entity should be structured as an alliance, coalition, or organization, and what its specific functions and governance might look like. CEANYC emphasized that a cooperative economics alliance, in whatever form, could help both to integrate various new economy sectors and strengthen local economies in New York City.

Food Justice Groups

SolidarityNYC led CEANYC's first focus group, with food justice organizations, on October 30, 2013. Participants included food co-ops, community gardens, food worker advocacy groups, and worker co-ops operating in the food industry.

Key takeaways from the food justice focus group are as follows:

- A city-wide cooperative economics organization should have a carefully defined theoretical framework and mission statement, and co-ops and other grassroots groups should control the central organization.
- Co-ops need help educating the general public about co-ops and their benefits.
- Policy advocacy for cooperative economic development is needed at the municipal level to expand the cooperative sector.
- A central organization could facilitate creation of value chains across sectors. For example, worker coops should purchase goods from food co-ops, and community-supported agriculture can be used to purchase shares for the creation of a member-owned cooperative.
- Participants identified a critical need for technical assistance to strengthen the food justice sector, especially in the areas of fundraising, membership surveys, database technology, facilitation, business planning, and co-op structure training and resources.
- Participants would need to take the issue of membership in a new cross-sectoral organization through their respective decision-making processes. The various entities are all autonomous and operate differently from one another.

Participants in the food justice focus group included:

- 4th Street Food Co-op
- Brandworkers International
- Bushwick Food Co-op
- Flatbush Food Co-op
- I Love Food
- Jersey City Food Co-ops
- Lefferts Food Co-op
- NYC Community Gardens Coalition
- Park Slope Food Co-op



Community Development Credit Unions

The Lower East Side People's Federal Credit Union led a focus group with community development credit unions (CDCUs) on November 20, 2013, to discuss how collaboration with other solidarity economy organizations could serve their members as well as their potential interest in a city-wide hub organization.

The discussion was part of a broader convening of the New York Financial Network, a regional network of CDCUs convened by the National Federation of CDCUs.

Key takeaways included:

- Several participants were unaware of the nature and role of other types of co-ops, particularly worker and food co-ops, and they are eager to learn more about them.
- Several CDCUs already lend to low-income housing co-ops, which is mutually beneficial to all parties, and similar relationships with other co-ops should be forged.
- CDCUs need to see a clear benefit to working with other co-ops before they will get involved in a city-wide cross-sectoral initiative. That said, CDCUs could connect their members to services that other co-ops provide, including building relationships with food co-ops to help members gain access to affordable, healthy food.
- CDCUs eager to share best practices among themselves, creating new products and strategies to expand their services to the co-op community.
- CDCUs are highly regulated financial institutions, and have advocacy needs that would benefit from a stronger cooperative voice.

Participants in the community development credit union focus group included:

- Bethex Federal FCU
- Brooklyn Cooperative FCU
- Concord FCU
- Credit Union Association of New York
- Fidelis FCU
- First Bergen FCU
- Lower East Side People's FCU
- National Federation of CDCUs
- Neighborhood Trust FCU
- New York University FCU
- North Jersey FCU
- Union Settlement FCU

Worker Co-ops

On December 5, 2013, The Working World and NYC Network of Worker Cooperatives gathered worker co-ops and co-op incubators from across the five boroughs to discuss their interest in collaboration among solidarity economy enterprises and organizations. Conversation alternated between the needs worker co-ops could meet by working with one another, and those they could meet by working with other types of co-ops and solidarity economy organizations.

Key takeaways were as follows:

- A central organization would be helpful to worker co-ops, and could serve multiple functions, including channeling national resources to local groups, providing technical and financial assistance, and serving as an information clearinghouse for people interested in learning more about co-ops. It could also communicate co-op principles and ideas to mainstream media.
- Any cooperative economics alliance or organization created should itself be structured like a co-op and member-controlled.
- Participants identified a vital need to share research and policy analysis, asset-mapping, and data to support incubation of new co-ops.
- Many groups would participate in and value a peer-to-peer learning network. They would also participate in a co-op loan fund, and provide financial contributions and management support, enabling co-ops to finance their own development.
- The first steps to strengthening the sector itself and the solidarity economy overall include: raising awareness through education; securing technical support to better integrate worker co-ops with one another; creation of a central space; developing a new central organization; and convening regular meetings to build the network and trust among the larger cooperative community.

Participants in the worker co-op focus group included:

- 3B
- Bronx Community Development Initiative
- Center for Family Life
- Center for Working Families
- Federation of Protestant Welfare Agencies
- Glocal
- La Mies Bakery Cooperative
- Make the Road New York
- North American Students of Cooperation
- Occupy Wall Street Screenprinters
- Palante Technology Cooperative
- Roca Mia
- Sí Se Puede
- Tadpole Collective
- We See Beauty



Community-Based Social Justice Organizations

On December 18, 2013, New Economy Project held a lively breakfast discussion with community-based organizations (CBOs). CEANYC invited CBOs that are already developing cooperative economic models, including worker co-ops, community development financial institutions, and community land trusts, or that have expressed interest in doing so.

Participants conveyed strong enthusiasm for creation of a cooperative economics hub organization or alliance, which could bring together different sectors of the solidarity economy. They emphasized that the current economic system does not work for millions of New Yorkers, and that they were eager to explore alternative economic models that can engage and benefit their members and communities.

Key takeaways include:

- A new central organization is needed to engage in concerted policy advocacy and provide political education and other leadership development resources to CBOs. It could also raise the visibility of cooperative economics, and link local efforts to work both city-wide and beyond.
- Groups would find a cross-sectoral alliance helpful for networking with other groups, connecting to technical assistance and other resources, building capacity to do this work in neighborhoods, and providing a place for people to come together to share experiences and hear what is happening across neighborhoods and sectors.
- Many immigrants come to New York City with cooperative economic models from their countries of origin. Research is needed to broaden our understanding of existing models and work; we should not reinvent the wheel but emulate work from Latin America, Africa, and elsewhere.
- Cooperative economics work must be multi-racial, cross-class and generally inclusive. Neighborhoods have been disenfranchised for years – new economy activities can be a tool for integration. Coops can be a good option for undocumented New Yorkers, and for formerly incarcerated people.
- It's important to connect new economy work to labor, community development corporations (CDCs) and others interested in economic development.
- Why not create a "People's Improvement District" in New York City that integrates cooperative housing, jobs, finance with other consistent, principles-based models? It could be a pilot to show how the solidarity economy can effectively strengthen neighborhoods and provide a new vision for community development.

Participants in the CBO discussion included:

- Bronx Community Development Initiative
- Brooklyn Movement Center
- Community Voices Heard
- El Centro del Inmigrante
- Make the Road New York
- Northern Manhattan Coalition for Immigrant Rights
- Picture the Homeless
- Vocal NY



Mutual Housing & Low-Income Co-ops

On January 22, 2014, New Economy Project led a discussion group with people representing low-income housing cooperatives and mutual housing organizations in New York City.

It was generally challenging to get participants to address questions pertaining to possible creation of a cross-sectoral organization, as people were eager to discuss issues within their sector. Here are key findings from the discussion:

- Co-ops are a “best kept secret.” We need to tell our story better, work on visibility, and promote the advantages and benefits of coops.
- The history of cooperative housing, which grew out of the labor movement, is vitally important, and there are numerous examples of union-built housing in New York City. But thinking about the future of cooperative economics is also key. For this to happen, groups working within the housing sector will need to work together, and across sectors. They will need to focus on leadership development and supporting the next generation of movement leaders.
- A central organization could provide education on the history, governance and philosophical underpinnings of co-ops. It could serve as a repository for information and ideas, and beat the drum for interconnectedness across organizations, neighborhoods, and work silos.
- To build a strong cooperative economics alliance, a set of enduring principles should be formulated, which groups can sign onto and present to others up front.
- Both mutual housing and CLTs are concerned with the quality of business establishments; worker coops would be natural commercial tenants, but it’s a challenge to balance from a financial viability standpoint.
- Low-income housing co-ops could engage worker co-ops to meet their construction and renovation needs. Limited-equity housing coops in New York City, known as HDFCs, already work closely with community development credit unions, including through Lower East Side People’s FCU, whose field of membership includes HDFCs.
- It would be useful to project the financial costs and benefits of pursuing cooperative economics-based models in NYC, and compare them to costs and benefits of pursuing the usual market-based economic development policies.

Participants in the housing focus group included:

- Community Assisted Tenant Controlled Housing, Inc. (CATCH)
- Cooper Square Mutual Housing Association
- 1580 Amsterdam Avenue HDFC
- Mutual Housing Association of New York
- National Association of Student Cooperative Organizations
- Urban Homesteading Assistance Board

Recommendations

Our main recommendations are as follows:

- A city-wide umbrella initiative should be launched to foster sustainable, community-led, cooperative economic development in New York City. This hub organization would bring together key sectors of the cooperative economy, and fulfill two complementary functions: (1) strengthening collaboration among organizations working within the cooperative economy; and (2) encouraging greater understanding and support from outside the cooperative economy.

The organization would provide the following core functions within the cooperative economy:

- (1) technical assistance to support management and operation of community-led cooperatives;
- (2) leadership development and political education;
- (3) communications and marketing support; and
- (4) access to office and meeting space, as well as centralized incubation space for start-up co-ops.

The organization would also promote the cooperative economy externally by:

- (1) raising public awareness about the role and value of cooperatives and the solidarity economy;
- (2) engaging groups and coalitions in effective policy advocacy, and pressing for creation of a NYC Office of Cooperative Economics; and
- (3) researching and disseminating best practices in the field.

- CEANYC should immediately secure resources needed to launch the new initiative, given the current political opportunities and landscape. CEANYC needs right away to develop with allies a detailed strategic plan that includes a statement of vision and goals, a comprehensive work plan, and projected staffing and budget. The plan should include exploration of opportunities, such as housing the initiative in existing organizations and drawing from other models. The initiative should solicit additional seed funding and carry out its vision.

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