

- coops better engage the creativity, commitment, quality, and intensity of workers than traditional, for-profit enterprises; this gives coops competitive edges
- coops distribute net revenues among all workers in ways that directly reduce the economic inequalities that accompany poverty
- coops better engage their communities because they are more locally based and locally focused than most conventional enterprises
- coops' decisions about the technologies they use and their environmental impacts respect their surrounding communities much more than conventional enterprises' decisions
- coops rarely relocate production sites away from their communities, making coop jobs that much more secure

Many anti-poverty programs over the last century failed because of profit-driven decisions made by conventional enterprises. For example, decisions to automate production and relocate to lower-wage regions or countries worsened poverty. Likewise, conventionally organized corporations funded politicians in both parties who limited or opposed government anti-poverty initiatives.

Worker cooperatives attack poverty by fundamentally altering *who* makes all the key enterprise decisions (what, how and where to produce and what to do with the profits) and *toward what ends*. Instead of a tiny minority of enterprise participants (major shareholders and the boards of directors they select), decision-making authority passes to the totality of all workers operating democratically. Coops' decision makers have different goals and different methods of making enterprise decisions. Their basic ways of operating reduce poverty.

What worker coops need to be successful is greater public awareness of the possibilities, actual histories, and benefits of worker cooperatives. That will stimulate consumers and businesses to buy coops' outputs. That will likewise attract workers to seek jobs in coops rather than conventional, profit-driven enterprises.

Worker coops also need a level playing field with profit-driven enterprises. In American history, small businesses got government help (via the Small Business Administration) and sometimes minority-owned and women-owned enterprises did too. The same should be available to worker coops. They need subsidized credit, technical and marketing assistance, tax exemptions, and a share of government orders. With government assistance plus coops' own competitive edges, they can significantly help New York's efforts to reduce poverty and provide many other social benefits.

We ask this committee and the City Council to encourage and support the growth of a vibrant workers cooperative sector of our economy.

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DEMOCRACY AT WORK

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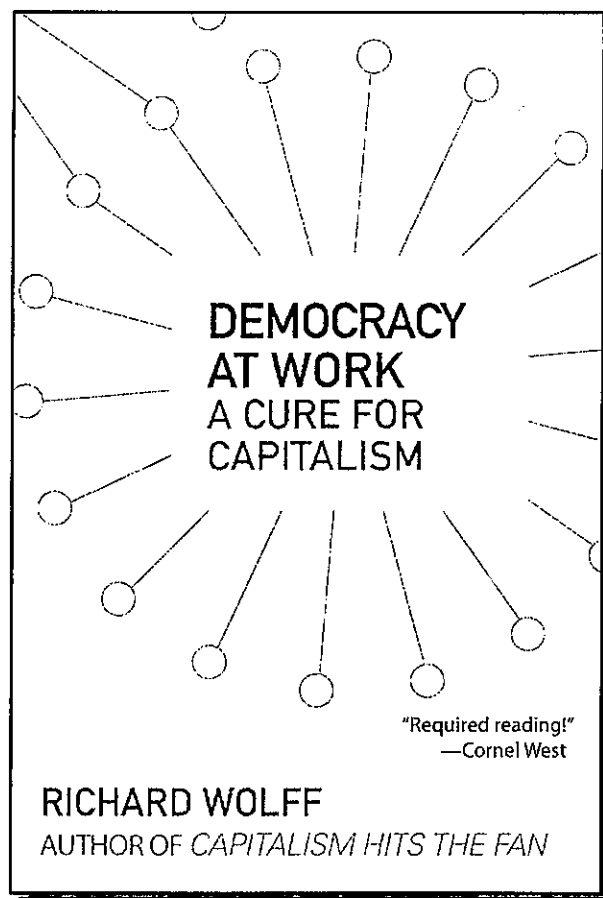
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RICHARD WOLFF is Professor of Economics Emeritus at the University of Massachusetts, Amherst, and the author of many books, including *Occupy the Economy: Challenging Capitalism* and *Capitalism Hits the Fan: the Global Economic Meltdown and What to Do About It*. He regularly publishes and archives his work related to workers' self-directed enterprises on the websites www.rdwolff.com and www.democracyatwork.info.

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—Gar Alperovitz, author of *America Beyond Capitalism*

"Imagine a country where the majority of the population reaps the majority of the benefits for their hard work, creative ingenuity, and collaborative efforts. Imagine a country where corporate losses aren't socialized, while gains are captured by an exclusive minority. Imagine a country run as a democracy, from the bottom up, not a plutocracy from the top down. Richard Wolff not only imagines it, but in his compelling, captivating and stunningly reasoned new book, *Democracy at Work*, he details how we get there from here — and why we absolutely must."—Nomi Prins, Author of *It Takes a Pillage* and *Black Tuesday*

TESTIMONY

Oversight Hearing: Worker Cooperatives – Is This a Model That Can Lift Families Out of Poverty?

Presented to:

New York City Council, Committee on Community Development
Hon. Maria del Carmen Arroyo, Chair

Monday, February 24, 2014

N Y C N O W C

New York City Network of Worker Cooperatives
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Good morning, Chairperson Arroyo, and distinguished members of the New York City Council Committee on Community Development. My name is Christopher Michael. I am a founding director of the New York City Network of Worker Cooperatives, the local grassroots business association for worker cooperative businesses. My organization represents approximately 25 worker cooperative businesses in New York City, employing nearly 3000 workers, as well as a number of nonprofit support organizations, legal service providers, and academic centers.

I want to thank you for this opportunity to submit testimony on how city support for worker cooperative businesses can lift families out of poverty.

I would also like to thank you for New York City Council's ongoing struggles to achieve worker justice, distinguished most recently by its efforts to pass the NYC Earned Sick Time Act and the Living Wage Law, and not to mention the measures that I am sure are soon to be achieved given the Council's progressive stance and the Mayor's focus on economic inequality and the "tale of two cities" in New York City.

INTRODUCTION

Today, you will hear from workers about the benefits of membership in New York City's worker cooperative businesses. These businesses range in industry, comprising a bookstore, restaurants, social service and health care providers, a law firm, web and graphic design services, and a childcare agency. Generally, these democratic jobs provide higher than average job security, higher than average industry wages, and superior working conditions—as well as the dignity of working in partnership and community with one's fellow workers, as opposed to subservience to investors. And these democratic jobs will not, by their very nature, be relocated abroad.

Rather, these worker cooperative businesses are bound to New York City, which is to say that corporate revenue and personal income is taxed locally and spent locally. Moreover, as a function of their democratic control by workers, who live in the neighborhoods they serve, these worker cooperative businesses typically value strong community relationships. Finally, as a function of support organizations like Community Service Society, Center for Family Life, and Green Worker Cooperatives, these democratic businesses are often planned as vehicles for employment for some of our city's most disadvantaged economic actors. As such, the vast majority of worker-members in New York City are women of color.

LACK OF CITY SUPPORT FOR WORKER COOPERATIVE BUSINESS

And yet, for all of the concrete benefits achieved by these worker cooperative businesses, despite the employment and tax revenue and consumer spending they retain for the city, notwithstanding the strong correlation between community interests and worker cooperative business interests—and the often charitable nature of these businesses—and without regard for the tireless dedication of their support organizations, which are often understaffed or even volunteer-driven, the city currently has no programmatic agenda in support of these businesses.

At the same time, in fiscal year 2013, New York City procured more than \$16.5 billion worth of supplies, services, and construction, through more than 40,500 transactions. To my knowledge, none of these dollars flowed into a New York City worker cooperative business. At the same time, New York City manages a minority- and women-owned business program that aims to deliver greater economic equality and economic control to communities of color and women. I am certain that none of New York City's worker cooperative businesses—most of which are owned, through and through, by women of color—managed to certify as an M/WBE due to requirements that are impractical given the breadth of worker ownership within these firms. And at the same time, in tax year 2009 (the most recent year for which we have data), the city effectively spent over \$1B in business tax exemptions with the aim of fostering economic development. And yet, the current city support for worker cooperative business development has been insufficient to hire the critically necessary business planning and support staff required to bring meaningful, broad-based, and institutional change to our economy.

CONCLUSION

Finally, I would be negligent if I failed to mention that, relative to international experiences, the industries represented by New York City's worker cooperative businesses are only the metaphorical "tip of the iceberg." In Spain, the 80,000-member Mondragon Cooperative Corporation embraces a university, architectural services, property consulting, electromechanical installation, consumer goods manufacturing, business planning, as well as public works design and construction. The firm helps to employ 16% of the workforce in the Basque province of Spain. In Italy, government support for worker cooperatives counts the city of Bologna, where approximately 80% of the city's social services are outsourced through worker cooperative businesses. Such outsourcing to worker cooperatives, in combination with a low-interest loan program and a special "cooperative tax," has helped to build a democratic worker cooperative economy in Italy that employs 5-6% of the entire nation's workforce. And these examples are not static—the democratic economic development within each of these countries is moving forward and expanding—even, as we know, in the face of devastating macroeconomic conditions. With forward planning, our city can match and exceed our contemporaries and colleagues in Italy and Spain.

To conclude, recently deceased Yale political scientist Robert Dahl once posed a challenge to the American people—he challenged us to consider whether we have the "firmness of purpose and the clarity of vision to assert the priority of democracy" over property and "undemocratic authority within corporate enterprises." The members of our network, the employees, community organizers, lawyers, business consultants, academics, and financiers who plan to testify today, I believe, possess this firmness of purpose and this clarity of vision. And we hope that you share it with us.

Respectfully submitted,

Christopher Michael
Founding Director, NYC Network of Worker Cooperatives

GREEN WORKER COOPERATIVES

TESTIMONY

Oversight Hearing:

**"Worker Cooperatives – Is This A Model That Can Lift Families Out of
Poverty?"**

Presented to

**New York City Council, Committee on Community Development
Hon. Maria Carmen del Arroyo, Chair**

Monday, February 24, 2014

Prepared & Submitted By:

Omar Freilla

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Opening

Good Morning and thank you for this opportunity to address this committee on this historic occasion. As far as we are aware this is the first time in history that the New York City Council has held a public discussion on the value of worker cooperatives. And today's discussion speaks directly to the reason for existence of our organization, Green Worker Cooperatives.

What is GWC

Green Worker Cooperatives is a non-profit incubator of worker-owned cooperative businesses. Our constituency are the working class communities and communities of color of NYC, particularly those of the Bronx, where we're based. Entrepreneurs come to us with business ideas. We help them turn those ideas into fully-functioning cooperative businesses, owned and controlled by the people who work them day in and day out.

We have pioneered an innovative cooperative entrepreneurship training program, the Coop Academy, that combines coursework and mentorship with support services such as web design, logo creation, and legal incorporation. It is a replicable and scalable, low-cost approach to organizing cooperatives that has already been copied in five US cities.

Why Worker Cooperatives

We focus on worker cooperatives because we view this particular business structure as key to the development of an economy that respects democracy, and produces empowered people, family-sustaining work, and a healthy environment.

One part of the city that perhaps best represents the need and potential for worker cooperatives is the Bronx. Despite considerable effort over the decades, the Bronx remains the poorest urban county in the United States, and the South Bronx is still home to disproportionately high concentrations of polluting industries. Approximately 38% of Bronx residents work low-wage jobs, the highest such rate in the city, with little prospect for advancement. The Bronx has a vibrant history of entrepreneurship in both the formal and informal economy, as well as a vast pool of local large nonprofits and government agencies with vast purchasing powers that could support them. Despite these assets, the standard governmental approach to economic development in the Bronx consists of encouraging an influxes of higher-income residents and low-wage employers with little regard for environmental impacts or labor practices. We believe that instead of helping address income inequality and entrenched poverty these practices are actually exacerbating them.

The worker cooperative form of ownership, where a business is owned collectively by its employees is widely recognized for its many societal benefits. So much so that the United Nations went so far as to have designated 2012 the International Year of Cooperatives. Some of these widely recognized benefits of worker cooperatives are that they:

- share profits equitably;
- circulate more money within a community for longer periods of time;
- retain jobs better during recessions;
- provide greater employment stability;
- pay higher wages;
- invest in the growth and development of their members;
- avoid relocating operations out of their community;
- pool individual resources, making entrepreneurship more accessible for people with low incomes;
- empower workers to take control of their lives; and
- make democracy a regular practice

And if that were not enough, worker-ownership enables businesses to be held accountable for their actions by workers and, by extension, the communities they operate in, making labor protection and environmental justice reachable goals.

Our successes

Through the Coop Academy we have developed four cooperatives ranging in size from three to fourteen members that are actively engaged in business. These include:

- HTINK, an educational services cooperative providing science & technology educational programming to schools and after school programs;
- Caracol Interpreters Cooperative, which provides language translation and interpretation services primarily to nonprofit organizations;
- B Blossom, a catering cooperative specializing in healthy & nutritious meals, and
- Ginger Moon, which provides personal chef and food delivery services for new and expecting mothers

Caracol Interpreters Cooperative, was recently awarded an Economic Justice Heroes Award for providing translation and interpretation services to social justice campaigns around the city. Caracol Interpreters Cooperative completed the Coop Academy 1½ years ago with three people, since then they have added two new members and have another seven waiting to join. They have already had a significant impact on the industry of language interpretation, raising the pay rate of interpreters throughout New York City as they raise the profile of language interpreters and introduce the concept of language

justice to new communities, all while also promoting environmental sustainability in their work.

In addition to these four, another three cooperatives (in the arts, financial services, and solar thermal industries) remain in development.

We are also currently working with Bronx Compass High School, located at the Stevenson Campus in the Soundview section of the Bronx, where we are running a version of our Coop Academy over the academic school year, to develop a an apparel design and screenprinting cooperative that the school has committed to contracting to produce the schools uniforms.

As a co-founder of the Bronx Cooperative Development Initiative, Green Worker Cooperatives has also worked to engage large nonprofit anchor institutions in the Bronx to commit to contracting with Bronx-based worker cooperatives. Some of the anchor institutions participating in this effort include Montefiore Medical Center, The Bronx Zoo, the Botanical Garden, and Fordham University (which also serves as host to our Coop Academy).

Challenges to Cooperative Development & How the City of NY Can Help

Over the years we've noted three significant challenges to our efforts at supporting entrepreneurs in developing cooperatives:

1. Insufficient public awareness of cooperatives as a legal business entity

The Problem

While more and more entrepreneurs are interested in launching socially-responsible businesses or are eager to adopt democratic management styles in line with their values, few people are aware that worker cooperatives exist. As such, interest in starting worker cooperatives is less than what it could be if aspiring entrepreneurs were aware of the cooperative option.

What the City Can Do

- The City should publicly recognize and promote worker cooperatives as valuable tools in job creation, promoting living wages, reducing income inequality, and encouraging democratic workplaces. This can be done through public proclamations and worker cooperative-specific ad campaigns
- The Department of Small Business Services (SBS) should include worker cooperatives as options in all of their Small Business Solutions literature,

curriculum, and workshops, as well as direct entrepreneurs interested in cooperatives to existing worker cooperative development organizations

2. Insufficient organizational capacity to provide cooperatives with continuing technical assistance upon completion of the Coop Academy;

The Problem

Although graduates of the Coop Academy complete the program with a wealth of insight, legal incorporation, a logo, and website design in hand, they still have a long way to go in their development. Given our own limited funding and the overall lack of familiarity with cooperatives among entrepreneurial assistance programs, our graduates have had little support as they have had to face the many challenges that arise once a business begins operation. As a result they have not experienced the kind of growth experienced by their non-cooperative counterparts with access to mentors and skilled technical assistance (whether through their own social networks or start-up support programs).

What the City Can Do

- Provide funding to worker cooperative developers
- Fund the development of a dedicated worker cooperative incubator with shared meeting/workspace/training facility in the Bronx. Green Worker Cooperatives and the pioneering nonprofit community development organization We Stay/Nos Quedamos have been in conversation to develop such a facility within one of Nos Quedamos' current buildings.

3. Lack of familiarity or outright bias against cooperatives by lenders and investors, resulting in reduced access to capital for cooperatives.

The Problem

Worker cooperatives are at a disadvantage when attempting to secure capital at any stage of development. Lenders typically require good credit histories and personal guarantees by the owners of a business for loans. This requirement becomes unwieldy for cooperatives and their multiple owners as the odds of not meeting lender requirements increase with every additional owner. Equity investors typically ignore worker cooperatives because their demands for partial control of the business are in direct conflict with the cooperative's adherence to worker control of the business. These obstacles mean that cooperatives have few opportunities to raise the capital needed to grow their business.

What the City Can Do

- Provide tax incentives and capital funding to worker cooperative businesses.
- Make worker cooperatives a preferred contractor for city agencies. This would boost the financial viability of any cooperative and make them attractive to lenders and investors.



FEDERATION OF PROTESTANT WELFARE AGENCIES

TESTIMONY

Oversight Hearing:

“Worker Cooperatives – Is This A Model That Can Lift Families Out of Poverty?”

Presented to

New York City Council, Committee on Community Development
Hon. Maria Carmen del Arroyo, Chair

Monday, February 24, 2014

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Opening

Good morning, Chairwoman Arroyo, and the distinguished members of the New York City Council Committee on Community Development. On behalf of Jennifer Jones Austin, Chief Executive Officer/Executive Director of the Federation of Protestant Welfare Agencies (FPWA), we want to thank you for this opportunity to testify on the issue of worker cooperatives as an economic combatant against poverty and unemployment for working families in New York City. FPWA also recognizes Chairwoman Arroyo's longstanding leadership, working with community residents, organizations and leaders, to address a variety of issues related to community development and much needed services for residents of the South Bronx.

Summary

FPWA advocates on behalf of vulnerable New Yorkers to ensure that they have the economic means to support themselves and their families. Our network of human service organizations and churches operate over 1,200 programs throughout the New York City metro area. Together, we serve over 1.5 million low-income New Yorkers of all ages, ethnicities and denominations each year. With many of our member organizations serving low-income communities, FPWA strongly urges that worker cooperatives play a key role in the City's long-term community development strategy to lift families out of poverty and unemployment. FPWA has developed recommendations, which we will outline here, that the new Mayoral administration and City Council could implement to support existing worker cooperatives and encourage the advancement of more.

Worker Cooperatives for New York City

Worker cooperatives are businesses owned and managed democratically by the employees. Worker cooperative businesses produce an array of economic benefits for low-income communities and effectively reduce economic disparity on a long-term basis. They tend to provide higher wages and better economic benefits than other small businesses. Furthermore, worker ownership provides workers with increased control over their work environment, reduced incidents of workplace abuse, and increased job security. Worker cooperatives are also less vulnerable to economic shocks.

Across the country, there are community groups, progressive think-tanks and elected officials seeking to integrate worker cooperatives into city-wide community development and workforce development policy. Cities like Madison, Wisconsin are integrating worker cooperatives into their business resources and planning department, while Reading, Pennsylvania is funding a worker cooperatives support center. In Richmond, California, the city is funding a cooperative development initiative that includes city support for cooperatives and funding a professional cooperative developer. Most ambitiously, the city of Jackson, Mississippi is embracing financial support for, and

sourcing from, worker cooperatives as a means for rooting city supported jobs, and city dollars in the community. They are engaging in policy efforts to establish a worker cooperative-friendly business environment as a means of creating economic security, jobs, and livable wages to help lift families out of poverty in their cities.

The city of New York too can be a leader nationally in this regard. New York City's economy is larger than Switzerland's, a size wherein the city has the potential to set new de facto standards. There is no other city in the U.S. where the development of significant worker cooperative policies would affect such a large amount of unemployed or underemployed residents. If achieved, new policies that support worker cooperatives in New York City would not only be the first of its kind, but also serve as a model for other cities in the United States.

Economic Benefits of Worker Cooperatives

For the last dozen years, New York City has encountered persistent economic barriers that have trapped more than one out of five New Yorkers in poverty. Minimum wage and low-wage jobs do not provide enough economic boosts to lift these New Yorkers out of poverty. When the recession hit, most of the jobs that were lost were full-time and many of the jobs that are being created now are part-time and low-wage, which has added to income inequality in the city. Government economic development programs have made insufficient headway in reducing the numbers of low-wage workers. Although the unemployment level in New York City has dropped in recent months, it was still at an astoundingly high 8.1% as of January 2014, leaving still hundreds of thousands of residents without work.

Given this reality, New York City's efforts to reduce poverty, unemployment and inequality should not just be an opportunity for realignment, but for reinvestment. The development of worker cooperatives in New York City should be part of a new long-term strategy to address inequality. There are examples of low-wage workers in New York City who have formed worker cooperatives with the help of non-profits and have seen their hourly wages increase from \$10 to \$25 per hour within just a few years.

Within four years of starting their house cleaning business, *Sí Se Puede's* worker-owners, many of whom did not speak fluent English, tripled their wages to as much as \$25-an-hour. In 2011, the company with 37 worker-owners had grossed \$1.6 million, with more than 1,500 customers on its house-cleaning client list, had a group income of approximately \$600,000 a year, and monthly income for the total cooperative reached between \$50,000 and \$60,000 a month. To achieve these economic outcomes, "one of the key principles of *Si Se Puede!* is that worker-owners receive 100% pay for their work – there are no placement fees and no organizational middlemen".

Of course, the most significant example of the economic success of worker-cooperatives can be found in the Bronx with Cooperative Home Care Associates (CHCA), which, at 25-years old, is the first worker-owned home care cooperative in the U.S. and is currently the largest worker cooperative in the country, with over 2,000

members. CHCA is also an example of how worker cooperatives not only create level pay structures, but also help worker-owners build wealth and equity. The company pays “annual dividends sometimes 25% of initial equity investment.” Worker-members can often borrow off of their membership share, they receive a payout of their membership share at retirement or whenever they leave the firm, and their membership share will also often receive a low fixed-interest dividend.

Current State of New York City Worker Cooperatives

New York City’s worker cooperative movement today has a host of 23 businesses in various sectors ranging from healthcare to tech consultation to home cleaning. Additionally, the city also has a central worker cooperative organization working to solidify the community – as well as a support system for worker cooperatives including incubators; technical and legal assistance services; and a limited amount of public and private funding in recent years. It is these services that make up the institutional support of worker cooperatives.

Yet, since government support for worker cooperatives is a relatively new issue in New York City, this effort has not received a substantial amount of attention as an economic development strategy. As a result, public and private funding, legal and technical assistance, incubators, and other resources for expanding the cooperative movement are limited in availability. This lack of public support and policy misalignment has created a barrier to the development of worker cooperatives.

City Administration Policy Recommendations

While the benefits of worker cooperatives are clear, they are widely unknown and underutilized in the ongoing and ever present fight against poverty and unemployment. One decisive action the Mayor can take is issuing a proclamation, taking a loud and public stance on its support for worker cooperatives, and raising awareness of their benefits. A formal city proclamation designating one week a year dedicated to worker cooperatives with a corresponding series of city-organized events and conferences during that week would be an effective statement.

The another key to success for worker cooperatives lies in connecting cooperatives to public funding that already exists, and targeting the support of city agencies already in place. New York City has long been defined by an entrepreneurial spirit and already makes assisting small businesses part of public policy through the New York City Economic Development Corporation (NYCEDC) and the New York City Department of Small Business Services (SBS). By providing advice, regulatory assistance, and funding tools specifically tailored to worker cooperatives, NYCEDC and SBS could play a larger role in growing the number of cooperatives in New York City.

FPWA proposes that the NYCEDC take on worker cooperatives as a “functional horizontal” sector itself across different industries, similar to its focus on entrepreneurship. NYCEDC could provide assistance and advice on the identification of

business creation opportunities for worker cooperatives, and the development of feasibility studies and business plans for worker cooperatives. To achieve this, NYCEDC should conduct a feasibility study on business markets to find which industries offer the best potential for the growth of worker cooperatives. NYCEDC could target worker cooperatives for those industries with its various entrepreneurial and capital loan programs. In addition, the NYCEDC currently provides grants and incentives to businesses so as to attract investment dollars. It can expand the criteria to include worker cooperatives. NYCEDC could also develop sub-contracting opportunities for worker cooperative businesses on the city's infrastructure development projects, such as construction projects.

In regard to SBS, FPWA proposes that it could include the worker cooperative model as a part of the curriculum that SBS uses for training individuals looking to start or grow their own businesses. SBS can also help connect cooperatives, which typically have trouble obtaining traditional bank loans, with alternative lenders such as credit unions or non-profit organizations that provide investment capital. Such lenders can be a fixture of the agency's portfolio. Specifically, these loans could be used for a variety of purposes, including: property and equipment acquisition, working capital, and business expansion. SBS should also promote procurement opportunities to prioritize existing and emerging worker-cooperatives. Furthermore, SBS should provide training and development opportunities to worker cooperatives that would allow them to bid for city contracts, such as how they might respond to Request for Proposals (RFPs) and submit proposals. Finally, in relation to SBS, it should provide grant funding for the technical assistance providers to incubate new worker cooperatives and to increase the survival rate of worker cooperative businesses.

City Workforce Development Programs

Most importantly, as the new Mayoral administration revamps its workforce development plans and policies, FPWA urges the city to include worker cooperatives as a useful tool to achieve broader goals in the workforce system. Given the scale of workforce funding already being allocated to New York City, it would not be a far stretch to retool existing programs to make a large impact.

In light of the employment generation capacity of worker cooperatives, it becomes compelling to consider ways of utilizing worker cooperatives to meet the workforce development challenges facing New York City. FPWA suggests the following workforce development proposals:

- 1) Creating a city program to help unemployed people operating in the informal economy (businesses not paying taxes) to start formal worker cooperative businesses.
- 2) Having new city workforce development contracts include provisions that permit job placement for unemployed persons in a worker cooperative as an approved placement opportunity.

- 3) Having new city workforce development contracts provide funding for capacity building, industry skills training, and resource development for worker cooperatives which include persons that have been chronically unemployed. In regards to the various city agencies funding workforce development programs, these programs should partner with cooperative incubators to lend guidance and expertise to cooperatives, refer workers to cooperative incubators, or even become incubators themselves. Such a partnership can direct more workers and resources to the cooperative sector.

In order to better picture how these programs might look in the real world, it is helpful to provide a walk through on how typical participants might go from a workforce development program to being employed long-term at a worker cooperative.

In one example, five or so years ago, the Center for Family Life in Brooklyn was running a traditional employment center, helping people prepare resumes and go on job interviews. As the economy began to get worse, staff noticed that it was getting harder and harder for people with language barriers or undocumented status to find work. The staff developed a 10-week educational program for women that would attend an ESL class at the nonprofit and became interested in worker cooperatives. This program prepared workers for their new business, including training in customer service, marketing, cleaning skills/products, and the challenges of democratic business governance. The women later went on to form what is now Si Se Puede, a house cleaning worker cooperative.

In another model, Arizmendi Bakery in San Francisco, California, has placed workers into existing and new worker cooperative bakeries. They recruit unemployed and underemployed people during renovations about six months before the anticipated opening of a new bakery. The recruiting committee is made up of veteran members of existing bakeries. For the first months, the new workers are placed in internships at the existing bakeries. During this time, the workers learn to do marketing, establish relationships with vendors, and prepare other aspects of the startup. The training team is made up of bakers from the existing member businesses. These bakers will work part-time at their home bakery and part-time in the new development. The trainers oversee new members' work, working alongside of them for as long as six months.

These models are just two examples of many success stories showing how worker cooperatives transformed and empowered the lives of ordinary unemployed and underemployed people who had taken the initiative to create or become part of their own businesses. They provide examples of how workforce funding could be utilized as a catalyst to grow worker cooperatives.

City Council Recommendations

While FPWA is hopeful that the new Mayoral administration can implement some of these worker cooperatives policy recommendations, particularly related to workforce development, the City Council can also play a critical role as well. Firstly,

representatives from New York City's 23 cooperatives could be invited to attend a Council ceremony to receive a proclamation announcing the City's support and recognition of cooperative businesses during Worker Cooperative Month in October. In order to create greater awareness about worker cooperatives, City Council members could also sponsor a legislative briefing here for others in the Council to discuss the economic research conducted by FPWA about the potential labor market impact of more worker cooperatives in New York City. Although some budget funding has been provided in the past by the City Council, FPWA believes that a new Council initiative for worker cooperatives could be targeted citywide to meet more specific high-need communities or populations, such as a Council Initiative for a Worker Cooperative Jobs Program in the districts with highest city unemployment rates. Finally, the Council could introduce legislation to reduce financial documentation required for worker cooperatives with large number of worker owners to qualify for city loan funds or introduce legislation to establish business or contracting set-asides that are exclusively directed at worker cooperatives and other social economy businesses.

Closing

While worker cooperatives in and of themselves are not a panacea to economic distress, they are a substantial step in the right direction. In short, the development of worker cooperatives in New York City should be part of a long-term community development strategy to address inequality. In inviting our testimony at today's oversight hearing, FPWA applauds Chairwoman Arroyo and the members of the Community Development Committee for understanding the importance of public input on this discussion of worker cooperatives as a model to lift families out of poverty. We are grateful for the opportunity to submit this testimony, and would be pleased to provide whatever additional information you may require.

Elizabeth Mendoza
City Council Hearing Testimony
2/24/2014

My name is Elizabeth Mendoza and I am a member of the Beyond Care Cooperative. I arrived in New York 22 years ago with my husband. We came to work and have a better life, like so many, we had the illusion of the American Dream. The first obstacle I encountered was the English language. Also, shortly after arriving, I realized that I was pregnant. In part, I was happy, but on the other hand, I was worried, about not having money, we didn't have work, clothing, furniture... But, bit by bit, my husband began working and things came together. My first child was born, and within months, I began to work as well.

We worked in clothing factories earning the minimum they paid which was \$2.75/hour. I lived in Bushwick for the first year I was here and then we moved to Sunset Park where I established myself and where I continue to live today.

My husband started to work in a store where he earned a little more, but we also worked in factories where we were paid for each piece of clothing we sewed. 1 cent for a t-shirt, 3 cents for putting hooks on, 8 cents for a pleat, We worked with desperation to get \$40 or \$60 in a 10 hour day. We also worked cleaning or in restaurants for a similar pay. We were always working to try to give a better life to my children.

In 2008, I had the opportunity to begin working with the Cooperative Beyond Care. My life changed completely, personally, professionally and economically. The beginning of the cooperative was not easy. No one knew about our coop, we did volunteer work at organizations and universities and offered gave childcare in exchange for opportunities to market our group in the places we volunteered. I had basic English then, I have learned so much more. I have also learned to use computers. My salary is better. I work the amount of time I want to work, I can spend time with my children. I can give them the comfort of living in an apartment, before we all lived in one room. My first daughter will graduate from college in June. My youngest son is in 3rd grade. The best benefit of all of this is giving my children the opportunity to have a better education.

The city should recognize cooperatives a valuable tools for creating fair jobs and promoting living wage jobs. Coops help reduce income inequality, promote democracy in workplaces. In the coop we recognize the work that nannies do. We do not just watch the children we work with, we teach them our language and other things about life, treat them with the care they deserve while their parents are working.

The coop began with 25 members. Today we have 40 members and we continue to grow, giving more and more opportunities to work to others in our community. I have gone from earning \$10 or less per hour before the cooperative to earning \$16 and hours.

The city should contract work with cooperatives whenever possible. We are trained and have experience. We care about our work. We have CPR certification, we have studied nutrition. We participate in workshops on child development.

The city could offer industry training to cooperatives and English courses. Cooperatives would benefit from workshops offered at more accessible prices that would help improve our work. Also, we would

love to work with the city to have opportunities and support to open cooperative daycares.

City support of cooperatives will help in the development of more living wage jobs allowing more NYC residents to work in respectful and dignified conditions. What's more is that cooperatives allow for the personal, professional and economic growth of those involved in them. Unlike other jobs, cooperatives promote the development and growth of all workers.

Good morning, I am Edith Peña-Harper and Jamie Jones, we are founding members of the South Bronx Artists Cooperative, a local organization with the goal of exposing our community of artists through education and global access for the purpose of creating financial independence for our members.

Our cooperative is in the beginning stages and we have been fortunate to be nurtured in this phase by the Green Workers Cooperative.

Our decision to start a cooperative was an organic occurrence, propelled by the kinetic energy of a group of neighbors of an artistic bent, but with no local outlet or means of communication. As we discussed our aspirations and challenges we realized that together we could establish a coop that would meet these needs. We have seen how other organizations have successfully followed this model to financial independence with the leadership of their own members. In addition we appreciate the possibility of improving our community by including new artists in the neighborhood as they manifest, which is unique to the model of a coop.

We believe that a coop can provide the opportunity and route out of poverty for many families. Many coops such as ours are locally based which means that members can stay close to their homes and families improving the quality of life, the education of their children and care for their elders if needed. For all these reasons, the city should recognize worker cooperatives as a valuable tool in job creation and promoting living wages.

Because of this the city should lend financial support to the establishment and the development of worker owned cooperatives wherever and whatever way possible. It provides an opportunity, please give us that. **Lets Create, Teach and Inspire!**

These are the main reasons we would like to start our worker cooperative, but on a personal level I have a diverse perspective on this. I have dedicated myself to a career for over the last 17 years and have lived in California for over 16 years. I found myself moving back to The Bronx, a place where I grew up and learned my craft. I have fought over the last 8 years in this community to develop a way to showcase and get more artists involved, I participate in the SYEP program so I can teach the younger community to focus on something positive. Im representing the needs of the community, we need to acknowledge their talent, redevelop this identity that we have been given to be the poorest neighborhood. We are more than that. It has been and continues to be proven that this model works, people invest more, they are happier and they willingly give back.

So it's a back-to-basics philosophy; when people have a stake, they feel more empowered, which makes them healthier and motivated to work harder. I hope you consider supporting cooperative businesses and what they contribute to society.

Thank you,

**Edith Peña-Harper & Jamie Jones
The South Bronx Artist Cooperative**

Margarita Ruiz
Member of Beyond Care Cooperative
Public Hearing Testimony
February 24th, 2014

Good morning, my name is Margarita Ruiz and I am a member of the Beyond Care Cooperative.

I came to this country at a very young age with the American dream to help my parents. At that time I was getting paid \$3.25 an hour. After several years I changed my job and started working as a house keeper. I worked for long hours receiving only minimum pay without having sick days and holidays paid for. But thanks to the Center for Family Life for opening coops my life has changed in many positive ways. The Center and the cooperative have given me the opportunity to grow as a person and gain valuable skills that help me at my job as a babysitter. I am able to spend more time with my family and have a reasonable salary. My rights as a worker are respected and the working conditions of my environment are much better.

I think I speak for all the coop members in Beyond care when I say that this coop has changed the lives of the 33 members, 18 founding members including myself and the other 15 members of later generations. Our working conditions are much better than before.

This is why it is important that we get the support of all the city officials here today. We need more coops like Beyond care to provide more opportunities for workers, to have their rights respected and to get a salary that is fair and just.

WORKERS JUSTICE PROJECT | PROYECTO DE JUSTICIA LABORAL

Member of the National Day Laborer Organizing Network and National Domestic Workers Alliance

My name is Rosa Palaquibay. I am member of the **Workers Justice Project (WJP)** and Apple Eco -Cleaning, LLC.

Apple Eco -Cleaning, LLC is a green cleaning and worker-owned cooperative founded in 2010 with the support of **Workers Justice Project (WJP)** and Urban Justice Center. We were founded by a group of female day laborers who against odds have found a way to organize themselves in the quest for a better job, better treatment and eventually a better quality of life for our families.

As a worker-owner of Apple Eco-Cleaning, I am able to provide to my family. The cooperative provides me job stability, which was impossible to have when looking for work in the street corner. Now I can support my daughter's dream to become a mechanical engineer with a salary of \$25 per hour, which was hard to do it before with salary of \$10 per hour. My work allows me to think and protect my health using green cleaning products and Personal Protective Equipment. I work in a healthier environment without the pressure of the employers.

My work at the cooperative allows me think about my family and my health as well. Now I can take time off to attend to my medical appointments without fear of losing my job. It also offers me a flexible schedule that allows me to spend quality time with my kids.

These positive changes would have not been possible without the cooperative and the support of the Workers Justice Project (WJP) that allows us to organize to protect our rights and dignity at work while building a just economy based on dignity and care.

For this reason, it is important for the City support the development of this models within our communities by providing funding for cooperative developers like Workers Justice Project and make our cooperative as a preferred contractor for the city.

Now it is the time to work together to build a new economy that provides dignity and justice for all workers.

TESTIMONY FOR MAKE THE ROAD NEW YORK

Monday, February 24, 2014

New York City Council Community Development Committee - Chair Carmen Arroyo

Hi, my name is Saduf Syal and I am here on behalf of Make the Road New York. I want to thank Chair Carmen Arroyo and the members of the City Council Community Development Committee for the opportunity to testify on behalf of immigrant workers and the effectiveness of the worker cooperative model in providing solutions to the economic barriers that our communities face.

Make the Road was established in 1997 to promote civil rights and economic opportunity as well as the rights of all workers to a living wage, dignity, and freedom to organize on the job. Today we have nearly 14,000 dues paying members. Our organizing work gives voice to thousands of low-income New Yorkers, builds community, and wins major public policy victories. Our work over the last 15 years has been driven by the engagement and the experience of our working class, predominantly immigrant members who make critical decisions regarding our programs and campaigns and are elected to our board of directors. As an organization at the forefront of campaigns for paid sick days, living wages, and against wage theft, we are interested in cooperative development because we know all too well the harsh realities of the workplace environments that can be found within the low wage sectors typically open to immigrant workers. Assisting in the formation of worker cooperatives allows us to build power, leadership and community-driven economic and workforce development as well as to create the kind of democratic and just workplaces we want to see.

Daily, we see first-hand the impact of the economic crisis on our communities. These groups can face prolonged unemployment, severe underemployment or lack of upward economic mobility due to barriers of language, enormous financial restraints, employer discrimination and/or a lack of access to workforce training or academic programs. At the same time, many individuals possess a wealth of knowledge and skills from their countries of origin, including prior business ownership or cooperative involvement, yet are unable to transfer degrees or utilize the full breath of those skills within their current jobs. On the employer side, unfortunately there continues to be a lack of accountability around compliance with labor law at workplaces throughout the City, especially in immigrant communities. The problems of exploitation and mistreatment are pervasive in every low wage industry, including domestic work, restaurant, manufacturing, garment, commercial laundry, retail, non-union construction, security and non-union building maintenance. It is common for workers to not get paid for work, not get minimum wage, and/or not receive overtime pay. Wage theft is rampant and the techniques are harmful from stolen tips to illegal lack of breaks. Low wage immigrant workers also commonly face sexual harassment and workplace violence.

Due to the unique barriers to employment and economic advancement facing the communities which MRNY serves, it is clear that alternative solutions that will further expand economic opportunities for immigrant workers are needed. The worker-owned business based on cooperative principals is a model that we believe addresses the many unique challenges facing

our communities. Worker cooperative elements that are particularly synergistic with the needs of our community include: the ability of workers to come together, pool resources and knowledge; the ability to engage in effective centralized strategies for marketing, communication, training and other needs that can improve financial success, and the ability to avoid abusive workplace environments through collective decision-making and shared values for local community development.

So, when Center for Family Life announced its Request for Proposals for a new cooperative development technical assistance program funded by the City Council, Make the Road eagerly applied. Since then, we have been working with a group of members to form a new worker cooperative in the cleaning industry, an industry in which many of our members have worked yet have had difficulty finding dignified and sustainable jobs or entering into unions. Through the support of CFL, the Urban Justice Center and advice from other cooperatives and cooperative developers, we launched our own training program and guided the group through training, as well as the decision-making and incorporation process. That technical support was critical for us in launching our own cooperative development program and, moving forward, we are now well equipped to continue to assist in the development of more cooperatives in the future.

Throughout the past year, it has also been astonishing to see how other cooperatives have helped us as well. Members of Si Se Puede, another cleaning cooperative, provided training and guidance to our members on safe and effective cleaning methods, Caracol, the interpreting coop providing much needed interpretation services for our trainings, ABC Bookkeeping Coop will be providing the cooperative with bookkeeping and financial training, Palante Technology, a coop with the same name as the one assisted by us, upon discovering that another group and incidentally chosen the same name said they were honored to share the name with our group whom they've never met, and the list goes on. With limited funding for our coop development program, this support and encouragement from other cooperatives has been inspiring and critical to our success.

Supporting these worker cooperatives and their development is good economic development and workforce development policy. As staff of Make the Road's Workforce Development Program, I can say that the creation of a worker cooperative has allowed us to assist people that the system leaves behind. We wholeheartedly support the policy recommendations put forth to encourage the city to assist worker cooperatives and coop developers. Thank you for taking your time to listen to me and others today on this important topic.

TESTIMONY

Oversight Hearing:

**“Worker Cooperatives – Is This A Model That Can Lift
Families Out of Poverty?”**

Presented to:

New York City Council, Committee on Community Development

Hon. Maria Carmen del Arroyo, Chair



Monday, February 24, 2014

The Working World

Brendan Martin, Executive Director

Karen Haskins, Director of Finance

228 South Park Avenue, Ste. #27395

New York, NY 10003

www.theworkingworld.org

OPENING

First of all, we would like to thank Chairwoman Arroyo, and the New York City Council Committee on Community Development for this opportunity to testify on how worker cooperatives can build real economic opportunity for working families in New York City.

My name is Karen Haskins, and I work for the Working World, which is a non-profit organization providing technical assistance and loans to worker cooperatives. We made our first loans in Argentina ten years ago, and then started an office in Nicaragua. Now, we also work in the United States in Chicago, Baltimore, and New York City. Locally, we are working in Queens, Brooklyn, and the Bronx, where we have created a loan fund in partnership with Green Worker Cooperatives. In cities around the world, we have worked with government, and we have seen how the policy of city government is crucial for a thriving cooperative economy.

SUMMARY

As mentioned previously, at The Working World we manage a loan fund for worker cooperatives, so I can tell you about some of the major challenges we've seen these businesses face in accessing financing and also the ways that government can help.

At The Working World, we understand that it takes money to make money. Most business loans require personal guarantees which means that people have to put their personal assets on the line to start a cooperative. If our goal is to be inclusive, to create work for those who need it most, then that barrier has to be overcome. This is what The Working World fights to do by making financing accessible. The City of New York could do the same by putting money into loan funds as it has done for the tech sector or by offering loan guarantees as it has done for small business development. The City of New York could help foster a thriving local business community through initiatives similar to these.

In addition to guarantees, another challenge to new cooperatives is access to technical assistance. This includes assistance such as classes like that provided by the Green Worker Academy, incubation like that provided by the Center for Family Life, and legal assistance like that provided by the Urban Justice Center. We have seen how cities that provide funding and support for Cooperative Development can have a dramatic effect on the creation of new cooperatives, and this is something New York can do as well.

CONCLUSION

With small changes, our policy can be a force for inclusive economics, and provide new economic opportunity to those who need it most. Now, more than ever, New York City has a chance to grow our cooperative economy and build a more sustainable and equitable community.



Cidadão Global FOR THE RECORD
BRAZILIAN COMMUNITY CENTER

43-12 34TH Avenue, Long island City, NY 11101 – (718) 619-8529

Testimony to the New York City Council Committee on Community Development:

“Worker Cooperatives – Is This A Model That Can Lift Families Out Of Poverty?”

Monday, February 24, 2014

INTRODUCTION

Good morning and thank you, Chairperson Arroyo and members of the Committee on Community Development. My name is Stephanie Mulcock and I am Executive Director of Cidadão Global, a nonprofit advocating on behalf of Brazilian immigrants in New York City. Cidadão Global appreciates the opportunity to present testimony to the City Council today in support of worker cooperatives.

First, we would like to thank the Committee for providing a forum to have this important discussion. This is an essential step towards finding innovative ways to eliminate poverty in New York City.

Cidadão Global (CG) is dedicated to advocating for the human rights of Brazilian immigrants while strengthening citizen participation and political visibility through fostering leadership development, community organizing, civic engagement, and culture preservation, while providing essential services. CG's social justice vision is to raise the political visibility of Brazilian immigrants to ensure that the community has the tools and resources to collectively advocate for their human rights through systemic change. CG's programmatic purposes emanate from that vision and focus on increasing knowledge of rights, increasing economic opportunity, providing a platform to build leaders from within the community, and empowering the most underrepresented members of the Brazilian immigrant community – domestic workers, youth, and LGBTQ members.

THE EXPLOITATION OF IMMIGRANT WOMEN

CG works with Brazilian immigrant women engaged in a variety of domestic work, including babysitting, care for the ill or the aging, cleaning and housekeeping. We estimate that at least 70% of Brazilian immigrant women living in New York City are domestic workers. Once Brazilian women immigrate to the United States, they often find themselves without the language skills, the training, or the immigration status required to find employment in a more “mainstream” category. As a result, they accept employment in another family’s home and engage in domestic work.

They often suffer an array of abuses such as, unpaid wages, discrimination, harassment, sexual crimes, psychological abuse, physical abuse, and even witness domestic violence within the family they work for. Their employers often abruptly end the employment relationship, sometimes in retaliation for speaking out against an injustice, and always without warning or notice. The worker is left unemployed, often ineligible for state-paid unemployment, without prospects of future jobs, and with an uncertain financial future. Lack of stability is a key challenge for informal workers in any economy, but specifically with domestic workers. Many of the women have no idea how long a job might last - job security is minimal. Most of these women are one paycheck away from homelessness.

In our regular know-your-rights presentations and employment law clinics, we often emphasize a domestic worker’s ability to contract for any desired outcome, such as a contractual clause explicitly prohibiting the employer from firing them without just cause, or without a certain number of well-recorded warnings. The most voiced concern by the women is the idea that, once they ask the employer to add such fair clauses to the contract, the employer will then move on to hire another domestic worker – one who does not appear to be as knowledgeable of her rights. This concern by the women is a real and valid issue, reflecting a basic lack of bargaining power by the worker. Thus, the employer-employee relationship starts off in an unequal footing and does not lend itself to healthy negotiation. The worker remains the abused or fearful party and all future negotiations will be made through those lens.

RESTORING WORKPLACE DIGNITY

CG is currently working on ways to incubate a worker cooperative among the domestic workers of the Brazilian immigrant community. The development of a domestic worker cooperative acts to ameliorate a number of negative aspects of the traditional domestic worker experience. A cooperative can have a standard contract that affords fair protections to the domestic worker, including the right not to be fired without notice, the right to be paid weekly, and to have access to her employment records. A cooperative can ensure a livable wage and opportunities for growth. Ultimately, a cooperative can increase the bargaining power of domestic

workers so that they feel a sense of dignity in their work and control over their environment.

We fully support the following policy recommendations to the Mayor and City Council:

1 - The City should recognize worker cooperatives as valuable tools in job creation, promoting living wages, reducing income inequality, and encouraging democratic workplace.

2 - The New York City Economic Development Corporation (NYCEDC), the Department of Small Business Services (SBS) and City workforce funding should be utilized to support and grow worker cooperatives within the City.

3 - Make worker cooperatives a preferred contractor for city agencies.

4 - Provide funding to worker cooperative developers.

5 - Provide capital funding to worker cooperative business.

We encourage the Mayor and City Council to invest in worker-owned cooperatives as a way to lift people, especially immigrant women, out of poverty. We believe that, if cooperatives can be supported by our elected officials and by our government agencies, we will empower our communities to excel.

New York City Council
Committee on Community Development
Chair Person Maria de Carmen Arroyo,

FOR THE RECORD

Oversight Hearing:

“Worker Cooperatives: Is this a model that can lift families out of poverty?”

Monday, February 24, 2014

Testimony of the New York State Nurses Association

My name is Leon Bell, and I am the Director for Political Affairs and Public policy at the New York State Nurses Association. I want to thank the Committee for holding this hearing on Worker Cooperatives.

NYSNA represents 37,000 frontline nurses throughout New York and more than 20,000 nurses in the New York City area.

My testimony will focus on the creation of hospital cooperatives as a solution to the ongoing crisis in healthcare in New York.

The ongoing healthcare crisis in Brooklyn and throughout the City has been the result of a long history of failed healthcare policy that has failed to meet the needs of communities served by safety-net healthcare providers.

These vital service providers are urged or forced to mimic the practices of insurance companies, equipment and technology manufacturers, pharmaceutical companies and other for-profit entities.

In this failed model, patients and local communities are viewed as sources of revenue rather than people in need of essential services.

The failure of policy is visible for all to see in the case of Interfaith Medical Center, a 287 bed hospital that is located in and provides healthcare services to some of the most underserved communities in Brooklyn.

Since late 2012 Interfaith has been in bankruptcy proceedings that were brought on by ongoing operating deficits and crushing debt burdens.

The State Department of Health has pressed for the closure of the hospital, which remains open largely due to the united efforts of the Coalition to Save Interfaith (a movement of local community groups and residents, healthcare workers and local elected officials) that has waged a tenacious fight to save the hospital.

The closure of Interfaith will have a devastating impact on healthcare and will also rip a hole in the economic fabric of the community through the loss of local jobs and more than \$500 million in local economic activity.

Against this backdrop, we believe that the time has come to create a new, alternative vision of what a hospital should be and how it should work to provide healthcare in the community.

We propose to create an **Interfaith Medical Center Cooperative** that will be a model for restructuring our hospital and healthcare delivery system in Brooklyn, based on the following principles:

1. The primary purpose of the organization will be to identify and address the healthcare needs of the community in its service area;
2. The organization shall be controlled by and directed in its activities by a board of directors or other directing body that is constituted by members of the local community, patients and employees;
3. Decision making powers at all levels of the organization shall be made in a democratic manner that shall include equally the community, patients and the employees;
4. All managers or other supervisory employees shall be accountable to and under the direction of the community members, patients and employees who constitute the membership of the hospital cooperative;
5. The cooperative shall establish internal structures to ensure that the decision making process regarding the manner and method of delivery of care, the method and manner of internal work organization, and the allocation of resources and funding within each department/service and local unit/site of the hospital cooperative is determined democratically by the local community, patients and the employees who constitute the membership of the cooperative.

The creation of a hospital cooperative at Interfaith and other community hospitals can be partially funded through the use of recently secured 1115 Waiver funds, totaling \$8 billion over five years.

The purpose of this funding is specifically to allow the transformation of existing hospitals in a collaborative manner that will foster innovative alternatives to current hospital structures.

A cooperative hospital would provide higher quality care in tune with the needs of the community. It would be focused exclusively on meeting community needs, and the inclusion of workers, patients and the local community in the actual management and control of the hospital would create a healthcare system more closely attuned to local needs.

We also believe that a hospital run on a cooperative basis will be able to provide care more efficiently and at higher quality because it will remove unnecessary and wasteful expenditures in the form of overhead and management costs. More resources will be available for direct patient care.

We also think that the direct involvement of workers and patients in the operation and control of the hospital will lead to more streamlined and cost effective patient care operations that are more responsive to patient needs.

There is no doubt in our minds that the current system of healthcare has failed our communities and that it is time to try new approaches.

The new mayoral administration shares our vision of eliminating income inequalities and healthcare disparities. The approval of the federal funding to transform healthcare offers an opportunity for us to make a break with the past and implement a new vision that will benefit our communities, provide better working environments and improve community health and economic vitality.

Thank you

2/24/14

Good morning. My name is Ana del Rocío Valderrama. I co-founded the Caracol Interpreters Cooperative in 2011 when I was on food stamps and expecting my first child.

With the support of the Coop Academy run by Green Worker Cooperatives, our team of worker-owners has been very successful in providing translation and interpretation services to organizations with multilingual bases.

In the three years since our launch, we achieved a 150% increase in the hourly fee paid to our interpreters. We have grown our team of interpreters by 25%, as we work diligently to meet the high demand for our services.

I am no longer on food stamps or any type of government assistance. I can't overstate the importance of my experience as a worker-owner in contributing to my financial independence, as well as my overall quality of life.

Following this success, I urge you to consider the ways in which you can incorporate the worker-owned business model into city agencies.

To illustrate this need:

7 days ago an article was published in the New York Post with the headline, "NYPD failed to translate mom's warning ahead of triple slay." As I read the piece, I learned that a 21-year old mother Deisy and her two little girls, Daniela and Yoselin, ages 2 and 1, were murdered by their father despite the fact that Deisy had explicitly warned the NYPD of her husband's homicidal threats. Deisy's words were in Spanish and they were not translated, against policy. I can't help but ask myself, as a professional translator and interpreter, whether my work, had it been called upon by the appropriate officials at the appropriate time, could have contributed to getting Deisy, Daniela, and Yoselin to a place of safety.

As a worker-owned cooperative, our work is imbued with a passion for social justice that is not found consistently in traditional businesses. We would have translated Deisy's words with care and with urgency, along with the cultural sensitivity that comes with our years of experience serving monolingual communities. Had there been interpretation at this hearing today, we would have ensured that every voice received equal audience and opportunity for participation, not only because that's our job, but also because our greater mission as a democratic organization requires us to do so.

It is a noble mission to lift families out of poverty, and to improve lives; however, the power of worker-owned businesses extends far beyond our ability to lift families out of poverty. We can also save lives, quite literally, as brought to light by the tragic case of Deisy, Daniela and Yoselin. I hope that the City Council invests in the growth of worker-owned cooperatives by providing capital funding and making them a preferred contractor for city agencies.

Thank you.



February 24, 2014

Re: Worker cooperatives as a model that can lift families out of poverty

Dear New York City Council Members,

I would like to thank you deeply for taking the time to discuss this issue. In my role as Director of Educational Programs for the North American Students of Cooperation, I work very closely with thousands of youth and student members of housing cooperatives and cooperative businesses across the United States and Canada. My work privileges me by allowing me to observe, on a daily basis, the myriad benefits that the cooperative model affords the youth I serve — cooperatives, in all forms, empower their members through true democratic control and afford their members a powerful amount of agency (which many of them do not experience in any other areas of their lives).

The worker cooperative model is one that I believe in very deeply, as it can truly revolutionize and improve the lives of those who practice it. Through democratic operations, member financial control, and equitable wealth distribution, worker cooperatives are capable of providing the support to individuals, families, and communities that is needed in our city and in this economy. As many other regions, states, and countries have done before us, now is the time for New York City to embrace the worker cooperative as a powerful tool to ameliorate poverty.

In solidarity with New York City-based worker cooperatives, I ask that:

- the city recognize worker cooperatives as valuable tools in job creation, promoting living wages, reducing income inequality, and encouraging democratic workplace.
- NYC Economic Development Corporation (NYCEDC), the Department of Small Business Services (SBS) and City workforce funding should be utilized to support and grow worker cooperatives within the city.
- the city make worker cooperatives a preferred contractor for city agencies.
- the city provide funding to worker cooperative developers.
- the city provide capital funding to worker cooperative business.

Sincerely,

Morgan Crawford

Director of Educational Programs

North American Students of Cooperation



**Testimony from the Street Vendor Project before the
City Council Committee on Community Development
February 24, 2014**

Hello, my name is Sean Basinski, and I am the director of the Street Vendor Project of the Urban Justice Center. We have more than 1,800 members who sell food and merchandise on the streets and sidewalks of our city. We appreciate the opportunity to testify today about worker cooperatives.

We believe that worker cooperatives are a natural fit for street vendors, and we pleased that City Council is interested in exploring greater use of this innovative model. Vendors are small business owners themselves, and savings can be had by grouping together in a cooperative fashion and cutting out the middle-man (and middle-woman). For example, we have hundreds of members who sell basic black umbrellas every time it rains. These umbrellas are imported from China by wholesalers and distributed to our members through various retail locations around town. The Street Vendor Project is interested in forming a cooperative whereby our members would be able to import these commonly-sold items directly themselves. We believe this would create substantial savings for our members.

Another place where the cooperative model can work is with shared ownership of vending garages. The Department of Health requires that, every night, vending pushcarts be stored at a DOH-approved garage, where they can be cleaned and where the food can be safely stored. Traditionally, these garages have been owned by bosses who charge exorbitant rents and often require the vendors there to purchase the food items from them, at significant mark-ups. In recent years, many garages have closed due to rising property values (especially due to gentrification on the West side of Manhattan), while others have raised the monthly rents they charge to vendors. This issue is a serious threat to all 10,000 or so workers who sell food on the streets of our city.

The Street Vendor Project is interested in opening a cooperatively-run garage, where vendors themselves would be the owners. This would reduce costs and allow vendors to source food from different suppliers, which would lead to greater diversity in the food that is sold on our streets.

We believe that, over time, cooperatively run vendor garages could be replicated throughout the city. However, as with any new venture, this idea will require start-up capital that our non-profit organization does not currently have. We are hopeful that the City Council and other institutional stakeholders will work with the Street Vendor Project and other groups of workers to provide resources to make worker cooperatives a more prominent force in our city.

Thank you again for the chance to testify today.