The Bronx Cooperative Development Initiative

Building a democratic, equitable, and sustainable economy in the Bronx
WHO WE ARE

The Bronx Cooperative Development Initiative (BCDI) is a community-led planning and economic development organization. We are a network of community and labor organizations, anchor institutions, and small businesses advancing economic democracy for shared wealth and ownership in the Bronx.

Grounded in a movement building approach to economic transformation, and a community enterprise network model, we create people-centered planning and development processes; generate community solutions through innovation and digital fabrication technology; develop, grow, and connect local Bronx businesses to new opportunities; and train leaders from across sectors to advance a more democratic Bronx economy.
Today’s Agenda:

1. Bronx / small business context
3. The Small Business Field Guide to Economic Democracy
4. Our Next Steps Together
Moment of Silence and Reflection
...WHAT IF WE OWNED IT?

In 2011, Bronx community organizers and leaders came together with a question: If community members collectively owned and governed key assets in the Bronx, could we create an economy that invests in human dignity, fosters community well-being, and support movements for self-determination and freedom?
From Reconstruction

THE FREEDMAN'S BUREAU!
AN AGENCY TO KEEP THE NEGRO IN IDIOMENESS AT THE EXPENSE OF THE WHITE MAN.
TWICE VETOED BY THE PRESIDENT, AND MADE A LAW BY CONGRESS.
SUPPORT CONGRESS & YOU SUPPORT THE NEGRO. SUSTAIN THE PRESIDENT & YOU PROTECT THE WHITE MAN.

For 1864 and 1865 the FREEDMAN'S BUREAU cost the Tax-payers of the Nation, at least, TWENTY-FIVE MILLIONS OF DOLLARS. For 1866 the SAVINGS of the Tax-payers of Pennsylvania will be about ONE MILLION OF DOLLARS. GEARY is FOR the Freedman's Bureau. CLYMER is OPPOSED to it.
THE KINGSBRIDGE ARMORY // JEROME AVE REZONING
"We Are Bleeding Out": Bar & Restaurant Owners Wonder How They'll Ever Come Back From Coronavirus Shutdown

BY NATHAN KESENGER

JUNE 16, 2020 5:35 P.M. • 371 COMMENTS
Our Year So Far

NYC's Small Business Relief Is Mostly Going To Manhattan Shops

BY DAVID CRUZ

APRIL 30, 2020 2:45 P.M. • 34 COMMENTS

Small businesses outside of Manhattan received a smaller portion of the $10 million forgivable loan program managed by Small Business Services. Pictured are stores in Roosevelt Avenue in Queens, the borough that received just 9% of funds. MAX RIVLIN-NADLER / GOTHAMIST
NYC Prepares For Mass Evictions As Moratorium's End Nears

As the end of Gov. Cuomo’s moratorium nears, housing advocates prepare for a massive wave of evictions to hit New York City housing courts.

By Kathleen Dugan, Patch Staff
Jun 15, 2020 3:28 pm ET | Updated: Jun 15, 2020 4:12 pm ET

About 50,000 new eviction cases are predicted to be filed after a moratorium lifts on June 20. (Shutterstock)
NO GOING BACK
- Bronx and small business context -
BRONX AND SMALL BUSINESS CONTEXT (2018)

1.4 million

A city on our own: similar to Philadelphia, San Diego, Dallas

42%

of Bronxites are born outside the 50 US states

+ 

Highest concentration of public housing in NYC
Largest cooperatively owned housing development in the US
Largest worker-owned cooperative in the US

@BRONXFUTURE
Median age in the Bronx. The youngest borough in NYC

16% Unemployment rate for Bronx residents in CD 15 between the ages of 18 and 34

33% of Poverty rate for ages 18-34
BRONX AND SMALL BUSINESS CONTEXT (2018)

18,000 Total number of businesses in the Bronx

2/3 Bronx businesses had fewer than 5 employees

80% of Bronx businesses had fewer than 10 employees

131,000 people both lived in and worked in the Bronx

@BRONXFUTURE
BRONX AND SMALL BUSINESS CONTEXT (2018)

$37,500
Median Household Income

6/10
Bronxites paid more than 30% of income towards housing
DON'T GET IT TWISTED:
WE ARE NOT DEFINED BY OUR CHALLENGES ALONE
HOPEFUL CONTRADICTIONS

Challenges

- Poorest urban county in the US
- Ranked lowest in health outcomes in NYS
- Highest risk for displacement

Assets

- World's largest food distribution center
- $ billions in anchor institution spending
- Creative & resilient community organizations

Opportunities to transform our economy
- Principles of Just Recovery and Economic Democracy -
Principles and Pathways to Economic Democracy

- **Preserve** local community economies by blocking extraction and consolidation
- **Supporting** shared wealth enterprise development and community governance of public goods

- **Expand and Extend:** Not just a 1 year relief plan, but a multi-year plan for a just transition to economic democracy
- How to Get From Here to There? -
The Small Business Field Guide to Economic Democracy
Who is it for?

Primary audience:
- business support providers, local economic development organizations
- small business owners and their families

Also for:
- community boards and neighborhood organizations
- High school students, community college, and undergraduate students interested in business, social enterprise, community and economic development
Overall Framework for the Guide

1. Teamwork and Solidarity in Business Practices and Management

2. Stability and Resilience Through Cooperation, Finance, Networks, Collaboration, Expansion

3. No Going Back: Raising Standards for Business, Community, and Place
To quote an old management saying, “Culture eats structure for breakfast.”

It all starts with how you run your business day to day. Any type of structure or legal entity is hollow if it is not reinforced and valued by the people in that enterprise.
Cooperation and collaboration are encouraged and valued in the DNA of cooperative enterprises through the international cooperative principles.

Growing and restructuring ownership and governance can also create more shared wealth in the Bronx despite challenges from lacking economies of scale.
Whether high road, democratic, union, or cooperative, (or some combination of them) businesses of all kinds are a critical part of systems change.

Democratic enterprises and a more equitable and humane society and economy are mutually reinforcing and mutually enhancing.
Some Possible Pathways to Economic Democracy

California Employee Ownership Alliance Proposes $10M Recovery Package

· Jun 11, 2020 ·

Support for employee ownership transitions could save small businesses
Some Possible Pathways to Economic Democracy

TARGETS FOR THE PRIVATE SECTOR

These entities have access to significant financial resources and have significant influence at all levels of government. With consumer expenditures of the Black population of Boston alone expected to top $10 billion in 2023, it is only right that these companies reinvest in our communities what we pour into their bottom line. Here are the private sector targets followed by an explanation for some of the items below:

01
Corporations, large enterprises, venture capital firms, insurance companies, and banks will commit to contributing to a Reconstruction and Rehabilitation fund that will total no less than $1 billion before December 31, 2030.

02
Venture capital firms and banks will commit to making no less than 10% of their capital available for investment in start-up and scale-worthy Black- and Indigenous-owned businesses on an annual basis. These same entities will also commit to investing in the creation of venture funds and venture studios led by Black and Indigenous peoples.

03
Corporations, large enterprises, venture capital firms, insurance companies, and banks will commit to awarding no less than 10% of their yearly and multi-year contract dollars to Black- and Indigenous-owned businesses on an annual basis.

04
Corporations, large enterprises, venture capital firms, insurance companies, and banks will commit to supporting the health and well being of Black and Indigenous employees and adopting the Good Business Standards.

05
Corporations, large enterprises, venture capital firms, insurance companies, and banks will commit to ensuring that no less than 40% of their executive leadership, management, and board/trustees are Black or Indigenous Americans.

THE PRIVATE SECTOR

Corporations, large enterprises, venture capital firms, insurance companies, and banks will commit to contributing to a Reconstruction and Rehabilitation fund that will total no less than $1 billion before December 31, 2030.

Is $1 billion realistic?

While this is an ambitious goal, a combination of corporate, nonprofit, and philanthropic giving will make it possible to reach this goal in a five-year span. In 2018 alone, the total cash giving of the top 100 corporate entities and top 25 foundations was close to $1 billion (information obtained from the Boston Business Journal). With just 10% contributed annually to the Rehabilitation and Reconstruction fund, we would reach the goal of $1 billion that would be reinvested in Black and Indigenous communities.

What will the money be used for?

These funds will be used to support alternative economic institutions; grassroots organizations; Black- and Indigenous-led nonprofit organizations that address health, education, LGBTQ, and economic inequities; business development initiatives; land repatriation; and Black- and Indigenous-owned businesses.

Who will manage the money?

The fund will be governed by a participatory process created by coalition and community members to ensure full transparency in awarding funding to local organizations, businesses, and initiatives.
Some Possible Pathways to Economic Democracy

- **Reconstruction corporation conversions** with **holding companies** - specifically because of the highly fragmented nature of small businesses in the BX

- Mixed-use Community Land Trusts for commercial and industrial purposes like the Bronx CLT

- Employee ownership and cooperative development centers by REDC region or county (including use of existing SBDCs)

- Bronx-wide plan for recovery and economic democracy
Questions?
Raise Your Hand or Write in the Comments
Next Steps and Follow Up
Next Steps

- Schedule a 30 minute debrief/coaching session with us using Calendly <https://calendly.com/bxeconomicdemocracy/field-guide-session>
Next Steps

- Connect with BronXchange.com - currently being redeveloped to power the Bronx business ecosystem. Register here to be the first to access the new release in August.

https://bronxchange.com/comingsoon
Next Steps

Small businesses are our community members!

- Endorse the Bronx-wide Platform [here](https://www.northwestbronx.org/bronx-peoples-platform)

- Join the Bronx-wide Planning process (open to organizations only, not individuals right now): Katherine@bcdi.nyc
Additional Links

Here’s a slice of new articles and events that have come out just in the last few weeks (!) since we finalized edits on the Field Guide:

- How Worker Co-ops Help Small Businesses
- US Economy: Small Business Owners Don’t Expect To Survive Coronavirus Pandemic
- Exit to Community: Community Ownership in a Pandemic
- The Black Mass Community - Business Coalition (June 2020)
- Three employee ownership options: Find the right fit for your company
- A Conceptual Guide to Employee Ownership for Very Small Businesses
- California Employee Ownership Alliance Proposes $10M Recovery Package
- Black and brown employee ownership for the post-COVID economy
- Community Wealth Summit (July 2020)
- Owning Our Future After COVID-19
Thank you!