

THE LAURA FLANDERS SHOW

COVID COULDN'T STOP WORKER-OWNED CO-OPS

LAURA FLANDERS: There are still an awful lot of boarded up storefronts across this country. 164,000 of the businesses on the platform Yelp closed during the first six months of the epidemic. And 97,000 of those never reopened, according to Yelp. One kind of business though fared much better than others — worker owned businesses or co-ops by and large stayed open even if they had to retool. And they're less likely to experience the labor shortage many businesses are facing now as the economy opens up.

Today, I'm gonna speak with three guests who say none of that is a coincidence. Journalist Jaisal Noor has been reporting on co-ops throughout the pandemic. We're gonna play excerpts of the video report he produced for The Real News. Also weighing in our Renée Hatcher, Professor of Law at the University of Illinois, Chicago. She's the director of the Community Enterprise and Solidarity Economy Clinic there. And Camille Kerr is founder and principal at Upside Down Consulting and co-founder of ChiFresh Kitchen, a worker cooperative food service, owned and led primarily by formerly incarcerated people in Chicago. Welcome everybody and happy co-op month. Let's start with you, Jaisal. Let's play a little bit of your piece on how co-ops weathered the pandemic, produced for The Real News, check it out.

REPORTERS: As a nationwide worker shortage presses on. Businesses are facing a worker shortage.

JAISAL NOOR: Is there a worker shortage or is there a shortage of jobs with fair pay and decent working conditions in frontline industries? Worker owned and run cooperatives offer a glimpse of what work can look like when businesses are controlled democratically and employees get a share of the profits.

KIMBERLY BRITT: We work as well as own this company. And we designed this to what would work for us, what would make it not feel like a job when we come into this environment versus actually being at a job where somebody ruled in and watching over you.

JAISAL NOOR: Those clamoring over the so-called worker shortage seemingly ignored that frontline workers risk their lives to provide essential services often for low wages while pandemic profiteers saw their wealth skyrocket.

REPORTERS: The combined wealth of the 657 billionaires in the country grew more than \$1.3 trillion, nearly 45% since the pandemic began.

JAISAL NOOR: And these profits came at a high cost for frontline workers who faced elevated risks of COVID-19 exposure.

REPORTERS: Amazon reports, listen to this, 19,000 of its US workers have tested positive for COVID in the last six months.

JAISAL NOOR: Workers rarely get an adequate share of the wealth their labor creates. In 2020, the median salary at Amazon was under \$30,000 while its founder, Jeff Bezos made hundreds of times that, over \$13 million every hour. Under the radar, the small, but growing sector of worker run co-ops, part of the larger cooperative ecosystem is demonstrating that you don't need bosses. Workers can be successful if granted the necessary power and resources. Co-ops are concentrated in frontline and service sectors, which have been hard hit by COVID-19 and are known for low pay and hazardous working conditions. The vast majority of rich corporations and CEOs built their fortunes on inherited wealth and privilege, but co-ops have limited access to capital, worker owners tend to be women and people of color and from communities that have been denied wealth building opportunities. Despite these challenges worker co-ops have proved resilient in weathering COVID-19.

LAURA FLANDERS: So Jaisal, first question to you. Why with so many urgent stories as the pandemic is raging, did you decide to focus on how cooperative businesses were making out?

JAISAL NOOR: Thanks for having me on Laura. So for the first several months of the pandemic, I was reporting on what was happening in Amazon warehouses, what was happening at public schools? What was happening at businesses across the country? Primarily you saw frontline workers bearing the brunt of the pandemic, where people like myself were able to work from home. I could minimize contact, I could protect family members, frontline workers didn't have that luxury. If they didn't go to work, they didn't get paid. If they didn't get paid, they couldn't stay in their homes, they couldn't feed their families. And so over the last, several years ago, I reported on worker cooperatives in Baltimore. And there's a network of worker cooperatives around the country. So I thought it was really, really important when we're hearing all these stories about places like Amazon that are making billions of dollars during the pandemic and exploiting their workers, forcing their workers to pee in bottles and work under all these horrific conditions, are democratic workplaces any different during this fairly intense period of economic uncertainty? How are these small businesses, which, you know, many don't last a year, how are they coping with the downturn? I know worker cooperatives generally don't have the same kind of access to resources that other businesses do. They operate on small margins and they generally pay their workers better. Can this type of model survive in the worst economic downturn we've had in a century?

LAURA FLANDERS: Professor Hatcher, do you see in your work a similar picture to what Jaisal's story reports?

RENÉE HATCHER: Yeah, I think it certainly does. So working here locally in Chicago with a number of worker co-ops, we have had a lot of experience with clients who have been having a hard time, certainly in the pandemic, but one of the benefits of the co-op model is essentially that workers aren't being exploited. It's not about the profit margin of a boss who typically has little to no actually active involvement in the small businesses operation. So what I have found is that a number of our clients who are worker co-ops found innovative solutions to make sure that they could stay, keep their doors open, to ensure that they wouldn't have to lay anyone off, or essentially all their members would be able to continue to participate and profit off of the business. And those are the types of decisions that only can get made when you change the power structure of businesses. When you actually give workers a say and a vote as to how to navigate hard times. And what I've seen over and over again, people have been really innovative, thoughtful, and also one of the beautiful things I think that's come out of the pandemic. We saw a lot of worker co-ops who were engaging in the broader community to ensure that folks have what they need and also engaging and participating in mutual aid networks. So certainly on the local level, I have seen certain similar patterns and I think to what we've seen in the data on the national level, for sure.

LAURA FLANDERS: I can only imagine Camille that a lot of people that you know and love and live around and amongst were dealing with the pandemic's onslaught in non co-ops. What gave you and your colleagues the impetus to start a business and start a cooperative during this crazy period?

CAMILLE KERR: We were planning to launch the business anyway. And what actually happened is that during the pandemic, we had gone through an 18 month process of trying to figure out, really this core issue. Can we use worker cooperatives to build a liberatory work environment and economic security for formerly incarcerated and specifically black women who faced incredible barriers coming out? Now when the pandemics happened, the members that we were organizing with said a couple of them lost their jobs, actually, multiple of them lost their jobs. And a couple of them didn't have access to unemployment for one reason or another. So they said, can we use this vehicle that we've been planning over this time to meet our needs right now? You said that this co-op would meet our needs. Well, our needs just changed because of the pandemic. Can we use it now? And so we kind of on a Go-Fund Me, and I put in a little investment and we kind of just tried. We were like, all right, let's buy some equipment. Let's try. And luckily through partnerships and relationships that we have on the ground here in Chicago, we got to not only create economic security for our members during this difficult time, but also

meet the needs of our community by providing emergency meals to those affected by COVID and who either lost their jobs or otherwise were facing food insecurity.

LAURA FLANDERS: Renée, why don't we throw this to you? What are the clear distinctions between a company with shareholders, et cetera, private shareholders, maybe far away, and a worker owned co-op of the sort that we're talking about here?

RENÉE HATCHER: The main difference between a traditional company and a worker co-op is that a worker co-op is owned by the workers themselves, meaning that they have a stake in the company, they have equity in the company. But in addition to that, they also are making decisions or have a voice in the operations and governance of the business. And so it typically abides by a certain model that includes things like one worker, one vote. That means no one person's voice is more important than another worker. They might have different decisions to make around the conditions of the workplace, but more importantly, they actually own their labor. It's not, the benefits of their labor are not going to some CEO or shareholders that are also disconnected. We also find worker co-op businesses tend to be more connected to community.

LAURA FLANDERS: What was the need that co-ops were serving in Baltimore, which I think is where you are Jaisal?

JAISAL NOOR: Worker cooperatives in Baltimore, there's about two dozen of them in the city. They're primarily in the service sector. So one of the bigger co-ops, Red Emma's, which is a radical coffee shop and bookstore, they were able to pivot to, first of all they shut down because before the mandate even came down, because they're like, we want to keep our workers safe. And then they pivoted to helping mutual aid. All the food stocks they had, they gave away to people that were in need. And then they transitioned back to reopening, they're doing outdoor events and then doing home delivery service. And a lot of the businesses, a lot of the co-ops in Baltimore had to pivot their business models to delivery. We saw that with Taharka Brothers, which is a ice cream manufacturing company that is owned by young people of color in east and west Baltimore. And they lost 70% of their business and had to change their business model to stay alive. And so it's yeah, mostly food, mostly in the food service. We just had a new worker co-op open that's a holistic massage place. So people need to eat good food and they need to take care of themselves and co-ops in Baltimore help people do that.

LAURA FLANDERS: I want to come to you to Camille on this because listening to both Renée and Jaisal we hear, there are the principles of co-ops like one person, one vote, and then there's the actual practice, which, I mean, Jaisal just described multiple decisions, multiple pivots happening pretty quickly for a small business. Talk about that a little bit. What can co-ops do in your experience that other businesses can't?

CAMILLE KERR: The way that we started was like I mentioned to meet the economic needs and create a liberating work environment for our members. So who otherwise have been, have faced incredible barriers to economic security and job access. And so on one side folks who otherwise might be able to get a job, but not a job where they get to define their role, where they get to work in the conditions with dignity that they co-create, but also that they get to share in those profits at the end of the year. So on one side, it addresses the deep inequities that these folks have experienced over the years. Society has failed them over and over again, and traditional businesses don't fix that on multiple lenses. And then on the other side of our impact, we've been able to not only get food out to folks who, if we had a shareholder that said you can't be prioritizing community in this moment. You need to be prioritizing profits. We got to pivot to work, to address the community needs, which was food insecurity and do so by supporting local urban farms. And so we would purchase from local farms, use that fresh, nutrient dense produce to make food for folks who are facing food insecurity at the time while creating jobs for folks who have been cut out of the economy. And I don't see how traditional businesses can meet all of those needs simultaneously, the way that we've been able to do it.

LAURA FLANDERS: Let alone be as flexible as you've been. Let's play a little bit more of Jaisal's video. The bit that talks about and that shows ChiFresh worker-owners at work.

KIMBERLY BRITT: Got good stuff today, we got collard greens with smoked turkey meat, as well as fried chicken, macaroni and cheese, broccoli. And our chef's specialty pizza. It's a vegetarian pizza that everybody loves. And before I was in a transitional home, and when COVID-19 hit it was a struggle to get any type of meal because we wasn't allowed to go outside. And the stuff that they was bringing was horrible. So, you know, when this opportunity, it just all clicked in together for my life journey to be able to do this at a time like that.

LAURA FLANDERS: Camille, that looks incredibly delicious. I'm terribly hungry now. Tell us a little bit about who's a member of ChiFresh, how many people are we talking about and how many people is the co-op serving at this point in terms of receiving food?

CAMILLE KERR: Yeah ChiFresh Kitchen has five worker owners, all formerly incarcerated, and one person who's member-track at the business right now. And we're looking to grow from there. We've done 80,000 meals since we got started. Our first meal went out on May 11, 2020. So right in the midst of the pandemic, and we've been able to serve folks at, we've partnered with organizations that have a deep relationship to their communities and know those needs. So we've worked with local schools and community groups to get those meals out.

LAURA FLANDERS: So Renée to you, I mean, there may be people watching this that say, well, that sounds very nice, but five people is a tiny drop in a bucket. So why should we pay attention to this model?

RENÉE HATCHER: The worker co-op model is transformative in the sense that it gives workers power over their workplace and they can enjoy the spoils of the profits. But beyond that, whenever we talk about the scale question, I think there is certainly scalability. They're scaling right now in the worker co-op sector. It's just horizontal scale. We see a number of worker co-ops that are emerging, that have been around for a while, and now are kind of firmly establishing themselves even under the really harsh economic conditions right now. And I think there's actually something really important about having smaller enterprises as worker co-ops, because really it's about the relationships that people build, the type of trust that is needed to be able to not only run a business with someone or run a business democratically and in a way that doesn't further harm, I think the experiences that they've had in the mainstream economy. So, the scale question I think is one that worker co-ops have answered. There are also really wonderful examples about scaling horizontally or about networking worker co-ops, there's a really wonderful example out of Baltimore, in terms of thinking about larger corporations and how do you provide more work opportunities. But again, I think worker co-ops, especially in this moment are so important because we see what has happened in the traditional workplace. We see what the gig economy does, we see the precariousness of jobs and specifically service jobs, which make up the bulk of the worker co-op sector.

LAURA FLANDERS: Did you draw any conclusions Jaisal, as you did this reporting about the role of worker co-ops in our economy? Are they just a nice parallel or something that could upset the capitalist applecart?

JAISAL NOOR: What's incredible about co-ops is that they exist at all in America because they face so many structural challenges. The workers are the owners, that means they have to bring the capital to the table, which they don't have, because historically they come from communities that have never had access to wealth. You look at millionaires in this country. There's the myth of a self-made millionaire is a joke because they inherited their wealth and, like Donald Trump, right? He would have been richer if he just kept his money in the stock market, instead of these investments and all the fraud he committed, et cetera, et cetera. But I think it's incredible they exist. It's incredible what they have done with the limited resources, the structural barriers they face. And just during the pandemic you had the Drivers Cooperative launch, which is an alternative to Uber and Lyft in New York City. And it is already now, it launched in May. It is already the largest worker cooperative in the country. It has 3,500 drivers and it's, you know, and so it doesn't have a CEO that's making \$100 million dollars a year. It doesn't have to give profits, dividends to stockholders and to venture capitalists. So it can actually pay more to its drivers and give a better fare to the riders. And then any profits are given back to the workers. And so yeah,

they're proving that our economy doesn't have to be highly exploitative. And it's proving that we don't have to live in a society that's so focused on profits at all costs.

LAURA FLANDERS: The Democracy at Work Institute in this period, I think produced a pretty fascinating report about how wages, average wages for worker owners are higher than in similar businesses, the amount of assets they accrue by the time they retire are greater and there's more job retention. People stay at their jobs longer. All of that could be enough to sell you on the whole idea, but Camille, you also have at ChiFresh and many co-ops a justice agenda. Can you talk about that?

CAMILLE KERR: When we focus on folks who have been most failed, most marginalized by our current economic system, we demonstrate what's possible for all of us. And I think that one of the questions, you asked about scale earlier is part of our work isn't trying to one co-op by one co-op change the entire economic system, but instead to be opening people's imaginations to what's possible if we all decided collectively to shift our priorities towards the human values that we have, and away from the current paradigm of competition and greed. And so it's not about putting numbers on the board, it's about shifting the narrative about what's possible in our economic system and in our society.

LAURA FLANDERS: Renée, I can see you agreeing, you want to add anything?

RENÉE HATCHER: The majority of worker co-ops that I get to work with absolutely have a larger justice agenda. And that can be many things. Some are looking to disrupt exploitative industries and draw attention to that. I think some are delivering goods or services in a neighborhood that never would have had access. But the one thing that I think they all have in common is that they're also changing the culture of work, right? Because capitalism is not just an economic system. It also, it becomes a way in which we now are relating to each other in the workplace. And so the worker co-op structure allows, I think people to really build deeper relationships, but to do both personal and interpersonal transformation that actually just allows us to look at each other as human beings and think about what our needs are, as opposed to how much money can you make this business.

LAURA FLANDERS: Coming back to you Jaisal, anything else on your radar that people should know about that could help?

JAISAL NOOR: If cities, states and the federal government see this issue as an issue of justice for workers, as an issue of uplifting society, Biden's whole agenda is build back better, how to build more resilient businesses. We just experienced a pandemic. We're probably gonna have more and more frequent pandemics. We're gonna have to deal with climate change. If you acknowledge these businesses are doing more good for their communities, then they should be

prioritized when receiving contracts from the government and other agencies. You see places like Spain and Italy and Europe, the government invests in worker cooperatives on a large scale and that's helped create these large scale industrial co-ops you see in much of the rest of the world.

LAURA FLANDERS: Final thought from you, Camille, how can people learn more, get more information, can people just start their own co-op?

CAMILLE KERR: The operative development is difficult, just like business development is, starting a business is difficult. Our system requires a lot of different types of capacity to start a business. And it kind of requires you to be completely overwhelmed. I mean, it's just, most people don't start a new business, most people work for somebody else. So we're not only starting a new business, which is hard, but also doing it in a way with skills that we haven't learned, skills of joint decision-making, of cooperation that we weren't raised with, but it's worth it. And that's the point, it's worth it to take the risks, to build the economy that we all want to see.

LAURA FLANDERS: We have a lot more on co-ops, what it takes to start them, things to think about if you're thinking of starting one in our archives. So that's there for anybody that's interested. I want to thank all of you, Camille, Renée, Jaisal, it's a pleasure to have you. Thank you for your work, all of you. I'll be back in just a moment with some closing thoughts.

Chicago. Workers at one of the country's most famous tortilla factories in that town are right now in a protest over wages and working conditions. At the end of last month they staged a one-day walk-out, after which they found themselves locked out. They didn't want to go on strike, they said, they just wanted increased wages and improved conditions. The production demands keep rising, but the wages are stuck rock-bottom. They get treated more like machines than men and women, they say. When the pandemic hit, they were forbidden from wearing masks. 85 of them got sick and five died.

It's a very different story at New Era Windows, also in Chicago. Workers there years ago were also in a dispute with management. Instead of getting locked out, they locked the owners out and years later, formed their own worker-owned cooperative. I checked in with them recently, and they're doing great. New Era has more orders than they can handle, wages are up, the workforce has doubled, they look set to make a profit this year — and they never lost anyone to COVID. That's the difference, said Armando Robles, who's been with the project from the start. At a worker co-op, he said, worker-owners sow the seeds and get to harvest the fruits of their work. I wonder what would happen if the workers at El Milagro paid a visit to New Era. For the Laura Flanders Show, I'm Laura. Until next time, stay kind, stay curious, and thanks for joining us.

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