



NCBA and NCB Annual Meetings, May 2009

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Co-op Annual Meetings Address Economic and Environmental Challenges

Two leading national co-op organizations held their annual meetings in Washington, D.C. this past May. The National Cooperative Business Association (NCBA) held its conference on May 5-6. The NCB (chartered as the National Consumer Cooperative Bank) event immediately followed the end of the NCBA conference on the afternoon and evening of May 6th.

Both organizations have a long history. NCBA, founded in 1916, is a national trade association that brings together cooperatives and credit union leaders from across all industry sectors and lobbies for funding for regulations and laws that will support cooperative growth and development, both in the United States and internationally. NCB, chartered by Congress in 1978, has served America's cooperatives and like-minded organizations for more than 30 years. Paul Hazen, President and CEO of NCBA, placed the conference in the overall economic context and argued that co-ops have a particularly important role to play at times of economic trouble. "Co-ops have always worked together in times of crisis," Hazen observed. Hazen also said that cooperatives have an important role to play in helping rebuild the American economy, by offering a "better business model for economic and social change."

The theme of the NCBA conference was on "connecting cooperatives" and both keynote speakers addressed issues that sought to explicitly connect co-ops with issues facing the environment. On the first day of the conference Dennis Dimick, Executive Editor of *National Geographic Magazine*, provided a "big picture" argument that focused on the long-term impact and importance of the climate crisis and the need for an economic response to the challenges that crisis poses. In particular, Dimick's presentation, titled "Changing Climate: Where Energy and Global Warming Meet," presented a host of images documenting the level of climate change that has already occurred, as well as exploring a range of energy alternatives that can help combat climate change.

By contrast, Omar Freilla gave much more of a "micro" picture of a cooperative response to the issues that Dimick raised. The organization Freilla founded and leads, Green Worker Cooperatives is a small nonprofit business incubator operating in the South Bronx that aims to start worker cooperatives as a means to create jobs, build local ownership, and combat environmental damage at the local level.

Freilla noted that, "All of us take on problems. You can take on small problems or big problems. I want to take on big ones." Freilla noted that a key problem that "Waste is everywhere ... [but] disposal follows the path of least resistance – typically poor working class communities of color. The consequences in the South Bronx, include an asthma rate that is the nation's second largest, resulting in an asthma rate of greater than 30 percent among children in the area. Green Worker

Cooperatives, Freilla notes, aims to create “green-collar jobs and worker ownership in the South Bronx, because your work shouldn’t kill you, the community, or the earth.”

Green Worker Cooperatives opened its first cooperative, Rebuilders Source, in April 2008 one-year anniversary a week ago. Freilla stated that Rebuilders Source is the nation’s first worker cooperative home improvement reuse center. Its initial staff included four worker-owners, which operate an 18,000 square-foot facility. Freillas’ group has had to surmount challenges. “We started out with four people with no management experience or sales. And we didn’t have the capacity to provide that support. By end of 2008, we realized this business would go broke in two months unless there was drastic change.” Now, Freilla, says, “We are building up a new crew of people. We revamped our training and recruited people with skills. Finances have gotten better. The key was analyzing it – thinking about how things could be better.”

Following Freilla’s talk and the conclusion of the NCBA conference, NCB – the National Cooperative Bank – held its annual meeting. Chuck Snyder, President of NCB, argued that in the current economic crisis, “Relationships matter more now that capital is no longer cheap [so] co-ops matter more.

The keynote speaker at NCB’s annual meeting was Harold Brodsky, Chairman and CEO of CCA Global Partners. In comparison with Freilla’s operation, the scope of CCA Global is enormous. CCA Global is the second largest purchasing cooperative in the United States with 14 independent business brands (Carpet One being the best known), more than 3,600 locations and over \$9.7 billion in sales. Yet the purpose of the purchasing co-op is to enable small independent stores to receive the same discounted prices as large chain stores. Brodsky noted, “We have some flooring stores with four people. And we have people with businesses of \$120 million. These are sizeable differences. But in so many ways our diversity is our strength if we play to it. The weakness of a big company is that they try to make one size fit all.”

“These are historic times, “Brodsky argued, “These really truly are historic times. What’s happening? I think there is a rebellion against big. Big is no longer beautiful. People want now local. Big right now is no longer beautiful. Local is beautiful. Small is the new beautiful. Yet this trend has yet to be reflected in co-op growth. “Co-ops should be exploding,” Brodsky observed, “but they are not.”

One reason why co-ops have not grown rapidly, Brodsky said, was the technical issue of the need to build up supplier relationships. But another reason, Brodsky added, was the need for more outreach. “We should sponsor business competitions at colleges about co-op plans. Let them start thinking about co-ops. Let them start having some co-ops in colleges. We should have a speakers’ bureau. How often do speakers talk about co-ops? There should be social media – we need to have blogging and Facebook. Young people aren’t thinking of what we are doing, but they might love it if we talked about it.”

For more information about the National Cooperative Business Association, see: www.ncba.coop. For more information about the National Cooperative Bank, see: www.ncb.coop.