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### The Coops After the Storm

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## **The Coops After the Storm: In Far Rockaway, the Lingering Struggle to Construct a New Kind of Economy from the Wreckage of Sandy**

Following a line of what looked like fifty ambulances, Diego Ibañez and four other young men drove over the Jamaica Bay and out onto the Rockaway Peninsula, a thin stretch of land that juts out from Queens. Waves stirred up by Hurricane Sandy had pummeled its houses and now, 48 hours after the storm, Ibañez could see that what he had read on Twitter was true: the Rockaways were on fire.

Ibañez is an impassioned, shaggy-haired activist (or agitator, depending on who you ask), who traveled to New York from Utah to join Occupy Wall Street in the fall of 2011, when he was 23. When Sandy hit a year later, Ibañez and dozens of others spontaneously morphed from members of the then- largely dormant Occupy Movement into members of Occupy Sandy. Under the banner of “mutual aid” – not charity – the DIY relief network flowed from a central distribution hub in a church in Brooklyn and flooded the Rockaways and other affected areas with supplies and volunteers.

News anchors wondered how this could be the same Occupy that had ruffled so many feathers the year before, and why FEMA and the Red Cross couldn't keep up.

After witnessing the destruction in the Rockaways, Ibañez and a few others returned the next day and ended up chatting with the director of a local community center, YANA (You Are Never Alone). Ibañez told the director about the relief hub they hoped to set up to distribute food, clothing and supplies, and listened to what he and other locals had endured.

“Like an hour into us just talking, he gave us the keys to his place,” recalled Ibañez. “It was crazy. I don't know how these things happen.”

Things like that kept happening.

Ibañez said, after a few days, he and the other Occupy Sandy volunteers figured out that people in the area generally knew each other within clusters of about 20 blocks. So, after setting up a relief center at YANA, they moved on to create another one 20 blocks down, where someone gave them free reign over a church gym. After a few days, they left local volunteers to run the hub and moved on to secure store-fronts and even houses in other parts of town.

“I was building relationships over socks, over batteries, over water,” said Ibañez. “Those things grew trust.”

Eventually, they made their way to the economically-struggling, immigrant-heavy area known as Far Rockaway. A local directed them to the church he attended, Iglesia de la Profecia de Díos – really just a nondescript, two-story house under the elevated train tracks on Cornaga Ave. – and the pastor there, Rene Morales, let them set up shop. Morales had already

plugged in a generator and opened the space up to members of his congregation (and some people he had never met before) who had lost power and heat in their homes.

When Ibañez first crossed over the bay into the Rockaways, he had no idea that he would return the next day and end up staying for several months; that he would be one of those people sleeping in the basement of a makeshift church in Far Rockaway. Or that he would later end up helping that church harness the momentum of Occupy Sandy to launch a local business incubator called WORCS – Worker Owned Rockaway Cooperatives.

Of course, Ibañez had no clue then, just two days after the storm, that more than two years later, when he had settled back into his apartment in Sunset Park, Brooklyn, he and a handful of other organizers would still be making the drive through Queens and over the Jamaica Bay most weeks, trying, against all odds, to keep that momentum going.

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It was Tamara Shapiro, another Occupy Sandy member who landed in Far Rockaway, who first had the idea to start WORCS. She had long been interested in the cooperative model and had been in talks with an organization called The Working World, which offers loans and training to co-ops in Latin America and the U.S.

Worker-owned cooperatives are much like regular businesses, except there are no employees. Every member of a cooperative business owns a share of the company, participates in the decision-making and takes home an equitable share of the profits.

Lauded as a way to reduce inequality, the cooperative business model yields an average salary difference of about four-to-one between the highest-paid and lowest-paid members, according to a [report](#) by the Federation of Protestant Welfare Agencies. To put that into perspective, the average CEO in the U.S. makes an income 600 times higher than his lowest paid worker.

Incidentally, the UN had declared 2012 the “International Year of Cooperatives” and held a conference celebrating them at the UN headquarters in New York City. UN representatives and co-op members from around the world extolled the cooperative model as a tool for reducing inequality, fostering more sustainable economic development and creating communities that are more responsive to people's needs.

“As self-help organizations, cooperatives are inherently people-centered. They not only meet material needs, but also the human need to participate proactively in improving one's life,” said Asha Rose Migiro, then- UN Deputy Secretary General.

Shapiro is clear that what makes WORCS notable is not just its use of the cooperative model, although she calls co-ops “the building blocks for the world we want to see” and “a bridge to a post-capitalist system.”

Rather, it's the fact that WORCS is one of several projects that was born from a new kind of response to natural disasters. Specifically, one that does not wait for government hand-outs of any kind.

After Sandy, Shapiro, Ibañez and other organizers saw their once-controversial Occupy Movement become an overnight media sweetheart as traditional relief organizations like the Red Cross and FEMA faltered. But, like many of the original members of Occupy Wall Street, they wanted to make sure they never lost sight of their main goal.

“After a disaster is a time when there's massive resource redistribution, right?” said Shapiro. “People donate a lot of money. They donate in-kind goods. And so it's a moment to redistribute and reorganize.”

Pastor Morales told the Occupiers that the lack of jobs was one of the biggest problems facing his community, which is full of undocumented immigrants. It had been a problem before the storm, but Sandy had made it worse, especially for the women, many of whom cleaned houses that had now been abandoned.

Morales, a man who pushes his congregation “to confront reality, not to spiritualize everything,” said he had had the idea to create cooperatives three years before the storm.

“But we didn't have the resources or the knowledge. That's why I say Sandy was an act of god.”

If Occupy could bring the resources, Morales could motivate his congregation, he promised.

A year after the storm, Occupy Sandy had raised nearly \$1.4 million, according to an [open document](#) detailing the group's finances, and only a fraction of that money had made its way into the hands of local residents and project organizers. (Handling money has [never been](#) one of Occupy's strong suits.) But Shapiro managed to secure \$100,000 to use as loans for new co-ops developed through WORCS.

WORCS would be funded by Occupy Sandy, but would use the finance model developed by The Working World: co-ops would only have to pay back loans from the profits they made. All the money that was repaid would go towards financing new co-ops, and if a co-op didn't make any money, WORCS would suffer, too.

In order to get a loan, aspiring cooperative entrepreneurs had to graduate from the program's 12-week training session. About 40 people signed up, and early on, they talked about how they could create businesses that not only benefited their members, but also contributed something valuable to the community.

Aside from jobs, the biggest thing lacking in the Rockaways was structural repairs.

“That’s where Roca Mía comes in,” said Shapiro.

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After the initial shock, Sandy felt like a windfall, admitted Manuel Escobar, a founding member of Roca Mía Construction, Inc.

“I was collecting recycling in those days, and with all of the debris thrown out onto the streets after the storm...” Escobar trailed off in Spanish.

Escobar and his wife moved to the United States from El Salvador and landed in Far Rockaway a year-and-a-half before Sandy hit, when Escobar was 32. He worked odd jobs in construction and gathered recycling on the side.

“Some weeks, I earned \$200 or \$300, other weeks \$800 or \$900,” he recalled.

Escobar, a hulking stoic with dark hair and sandy skin, dreamed of starting his own business, and sometimes weighed the prospect of returning home to El Salvador, where start-up costs were low and everything was enveloped in a familiar subtropical warmth. But he feared the lawless *pandillas* that routinely extorted money from local businesses, he said. And he knew firsthand of the underwhelming job prospects that would await his children if they were educated there.

Anyway, he wasn’t ready to give up on New York just yet.

When Sandy cut out the power and heat in Escobar’s apartment, he moved his wife, his 9-year-old daughter and her newborn sister into the basement of the church beneath the elevated tracks on Cornaga Ave., where they attended church each Sunday. They ended up staying for two weeks.

It was there that Escobar became familiar with Occupy Sandy and saw his congregation come together to help distribute goods to those affected by the storm.

Occupy Sandy even set up a daycare on site for neighborhood children.

“Never in my life had I seen so much destruction,” Escobar said. “But it was also a beautiful time.”

Still, when his cousin introduced him to a bubbly young activist who started talking to him about cooperatives and solidarity and raising up the people, Escobar was skeptical.

He needed more steady work, though, so he figured he’d give it a shot.

“And if something comes out of it, great!”

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When the first training session started, there was a lot of excitement. People came in with ideas to start a pupusería, a bakery, an entertainment company, a juice bar and more. They were given lessons in cooperative principles by the founder of The Working World. Ibañez, Shapiro and other designated facilitators, also under the tutelage of The Working World, met with co-ops individually to help them shape their business plans.

“I doubted,” Escobar said. “I doubted in the sense that we didn't seem to be advancing. We met Sunday after Sunday, Sunday after Sunday.”

To get a loan, co-ops had to do more than just be able to create a viable business plan and weather the typical financial uncertainty and time commitment that come with starting a new business. They also had to form groups strong enough to withstand the frequent meetings it takes to make decisions without succumbing to hierarchy.

Participants dropped like flies.

After three months, only Roca Mía and another co-op, a bakery called La Mies, secured loans from WORCS and started putting their business plans into action.

Escobar and the five other members of Roca Mía posed for celebratory photos with their shopping carts at Home Depot. They were given about \$9,000 for the equipment and licenses they needed to get started and a permanent adviser from The Working World, which had assigned a couple of members of their paid staff to help run WORCS. Roca Mía's work, if it came, would be repairing houses that were damaged by the storm.

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A year after Sandy, the federally-funded, bureaucratically brow-beaten “Build it Back” program had processed 26,000 inquiries from people seeking repairs on homes that were damaged by the storm, but hadn't put hammer to wood on a single renovation, according to a [City report](#) commissioned by Mayor Bill de Blasio when he took office. Delays would be attributed to things like overwhelming paperwork and the prohibitive fees that were levied on participants, in spite of Build It Back's \$1.45 billion endowment.

In the Rockaways, Occupy Sandy used some of its donations to power Respond and Rebuild, a bare-bones, volunteer-driven renovation unit.

In March 2014, a year-and-a-half after Sandy hit, the Built It Back program got its long-awaited construction work underway.

By that time, Respond and Rebuild had already rebuilt 30 houses on the peninsula and had done mold remediation on 80. In the pool of local construction companies Respond and Rebuild hired to do the more serious renovations swam a guppy called Roca Mía.

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“Now, a year after we started, we see that it it's working,” said Escobar. He paused to let a train go by. He was back in the house on Cornaga Ave., but it was no longer a church or a relief hub.

Now, it was the co-op's storage space and the conference room for their weekly meetings.

On this particular afternoon, the members of Roca Mía were trying to decide whether they should shell out money to rent a better office space for their designated administrator, Hugo Orellana. Orellana's wheelchair prevented him from doing construction work, but the co-op's adviser from the Working World had been steadily transferring him the accounting and computer skills he needed to run the co-op.

Part of the reason Roca Mía could fly, their adviser said, is because it was such a lightweight machine. Overhead was limited to the cost of equipment and the \$230 per month it took to rent the basement of the house on Cornaga Ave. Even with just one or two jobs a month, the co-op could turn a profit.

But, 12 months out, that profit still wasn't enough for the members to abandon their other jobs in construction and carpentry. Escobar still collected recycling from time to time.

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When La Mies got its first loans, it had four members (down from eight at the start of the cooperative incubator).

“We were just a group of friends with an idea,” said Lorena Castillo, one of the founding members.

Castillo had joined the co-op with her husband Mario, who had made the journey with her to the U.S. from Guatemala nearly 25 years ago. The couple, whose four children are now all grown, didn't necessarily think the co-op would allow them to surpass their combined \$40,000 a year income (Mario works as a doorman in Manhattan, Lorena as a housekeeper there).

But the model and all the promise it held seemed like a natural fit for Lorena, who was already active in the community before Occupy Sandy came around. She had brought in mobile health units, immigration consultants, anyone who she thought could give her neighbors a boost.

The co-op decided to cut down on costs by setting up their bakery in the kitchen of the restaurant Pastor Morales partially owns in Hempstead, New York, where he lives.

They also cut down on costs by not bothering with the licensing and paperwork food service providers and businesses must obtain to function legally.

They sold their Central American-style baked goods in the restaurant, which also served up *pupusas* from El Salvador, *chiles rellenos* from Guatemala and tortilla-wrapped *baleadas* from Honduras. They also shopped them around to churches in Far Rockaway.

Eventually, WORCS pulled in their contacts at food co-ops in Brooklyn to help La Mies expand.

In September, La Mies secured a spot at a food fair hosted by cooperative grocery in the Clinton Hill section of Brooklyn called Greene Hill Co-op. They set up a table in the backyard next to the bouncy house and laid out all their baked goods and business cards, ready to schmooze.

Ibañez went with them. It was a good opportunity to figure what kind of bread white people like, he said.

“They had brought some more Central American types of bread and people weren't really feeling it,” he said. “But then they pulled out something with guava in it and they were loving it.”

It was also a reality check: to sell their goods on a mass scale, they needed the proper licensing and certificate of incorporation.

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Solidarity with other co-ops has become a priority for WORCS. Soon after forming their own cooperatives, Castillo and Escobar became involved in the citywide movement to gain more recognition and funding for worker-owned co-ops from the City Council. Advocates speak of worker co-ops as part of a burgeoning “Solidarity Economy,” or what some call the “New Economy Movement.”

Whatever it's called, this summer, their campaign proved successful – the budget for the next fiscal year set aside \$1.2 million for organizations working to sustain and develop worker cooperatives. A large chunk went to The Working World. And, although the mainstream media didn't take much notice, advocates for cooperative businesses around the country certainly did: no city or state in the U.S. has ever made such a substantive gesture of support for worker co-ops, the U.S. Federation of Worker Cooperatives proclaimed.

Even as food co-ops and credit unions become more common in the United States, worker-owned cooperative businesses have yet to gain a strong foothold. There are about



30,000 cooperatives across the country, not counting housing co-ops, but fewer than 300 of them are worker-owned, according to John Duda, a spokesperson for the Washington D.C.-based Democracy Collective, which advocates for worker co-ops. The US Federation of Worker Cooperatives places the number somewhere between 300 and 400 and estimates that worker-owned co-ops employ 3,500 – 4,500 people nationwide.

The country's largest co-op, with more than 2,000 workers (about 60 percent of whom are part-owners), is Cooperative Home Care Associates in the South Bronx. Incidentally, the South Bronx is also home to one of the city's biggest advocates for worker co-ops, Council Member Maria del Carmen Arroyo.

The move to allocate more than a million dollars to organizations that support cooperatives is as much a vote of confidence for the cooperative model as it is a challenge to prove it can be deliberately scaled up in New York City, even in a modest way, said del Carmen Arroyo in an interview in November. The council member chairs the Committee on Community Development, which has set concrete goals for the coalition of organizations it has funded: to grow the city's 23 existing co-ops and create 20 new ones, while creating about 200 new jobs.

"It's like, OK, here you go, we put some skin in the game. Now go do something with it," Council Member del Carmen Arroyo said from behind the desk in her district office.

"All of the providers funded under the initiative are well aware that we are at a point where we can make this very successful and take it to the next level, or not perform" said del Carmen Arroyo, adding, "I don't know when another opportunity will present itself to have a conversation about this."

Council Member del Carmen Arroyo's office overlooks the busy thoroughfare on East 149<sup>th</sup> Street and it's easy to see there's no shortage of small businesses there. The City's Department of Small Business Services estimates that there are 220,000 small businesses in New York City. And they spring up in immigrant neighborhoods at a much higher rate than in other parts of the city, according to a report from the State Comptroller's Office. But immigrants and people of color are also more likely to work low-wage and part-time jobs, the types of jobs that have replaced what were, in some cases, more stable, full-time positions before the recession, according to a report by the Federation of Protestant Welfare Agencies. Unsurprisingly, people of color are also more likely to be among the twenty percent of New Yorkers living below the poverty line.

In a pool of 220,000 small businesses, the prospect of 20 new co-ops seems underwhelming. And compared to the more than 80,000 workers at Mondragon, the world's largest cooperative, based in Spain, 200 jobs seems laughable. But, after hearing testimonies from co-op members and advocates, Council Member del Carmen Arroyo said she is convinced that adding more worker co-ops to her community will have a bigger impact than adding more traditional jobs.

“I think it's great that they're supporting this,” said Ibañez, a latent skepticism in his voice. But, mistrust of the government aside, Ibañez pointed out that for the organizations receiving the grants, five or six new co-ops in a year isn't as easy as it sounds.

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“Communist Party Headquarters!” Ethan Murphy, an Occupy veteran with a green newsies-style cap and a prominent goatee, theatrically answers a fake phone call.

It's an old joke his parents used to make when answering the phone, he explains over the rattle of the car, a prank on anyone who was still sensitive to the Red Scare in the decades that followed McCarthyism. Nevertheless, it gets a laugh from his fellow passengers: three fresh-faced twenty-somethings with non-profit jobs that dovetail with their zeal for community organizing. They agree communism has had some bad leaders, gets a bad rap, but don't take the conversation any further. Today's radicals are looking at different economic solutions.

It's a cool Sunday afternoon in late April, about 18 months after the storm, and the crew is making the drive from south Brooklyn, through Queens and over the Jamaica Bay, this time heading to Arverne Pilgrim Church in Far Rockaway. There, they've organized a meeting of the WORCS program, now in its second incubation round, with new co-ops on deck.

Between last-minute calls to participants to remind them about the meeting, one of the organizers mentions from the back seat that the pastor said he doesn't want them to use the church for anything “political.”

“This is like the most political,” says Shapiro, at the wheel. Then again, a local business incubator seems harmless enough. She's not convinced the pastor will mind.

When they arrive, the WORCs organizers set up homemade vegan food and a projector in the vast windowless rec room at Arverne Pilgrim Church, lit by dissonant hanging chandeliers. At first, only a few other organizers are gathered, enjoying the food and wondering aloud whether anyone else will show up. Then, Escobar, LaSama, Orellana and the other members of Roca Mía pull up in a van outside. Soon, the room is filled with chatter in English and Spanish as people find their seats in the large semicircle set up around the projector.

Once they're settled in, the introductions begin.

A pink-haired, outspoken woman originally from Harlem, introduces herself as Alexis Smallwood and says she's here to start a juice bar called “Rooted in the Rock.” Smallwood originally became aware of WORCS through her enthusiastic involvement in Rockaway Wildfire, another organization that came out of Occupy Sandy in Far Rockaway. With the mission of keeping residents engaged in the plans of commercial developers in the area, Wildfire had knocked on Smallwood's door one day and she had gotten pulled in.

She says it's been hard for all the members of the juice bar to meet regularly, since all work or study full-time. But she maintains her involvement for her eight-year-old son.

“What keeps my focus on the juice bar is my ambition to break the general line of poverty for my bloodline,” Smallwood explains.

It's hard to tell whether Smallwood has always been this disarmingly open about feeling trapped in a cycle of poverty, or if these are just the kinds of comments people make once they've been involved in WORCS long enough.

At the end of the meeting, everyone forms a circle and joins in a call-and-response chant. It's cheesy, but people start tearing up anyway. Henry LaSama, one of the members of Roca Mía, decides to offer some words of encouragement and everyone applauds. Afterwards, he shows off the pictures he took on his cell phone of the team's latest construction job.

“The client was so happy, he invited us to stay for a barbeque,” LaSama tells Ibañez and another Occupy Sandy vet.

Escobar remains quiet at this event, but says he hopes that Roca Mía will inspire the next batch of aspiring cooperative entrepreneurs.

“This is a new economic vision,” says Escobar. “It's not that those on the top will be lowered down, but that those on the bottom will be raised up.”

Still, the worker co-op – at least the small, hyper-involved worker co-op – may not be for everyone. Shortly after this all-co-op meeting, Orellana will leave because of a rift within the group.

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More than two years after Sandy, and more than a year-and-a-half after the co-op's launch, Roca Mía is still running. The five remaining members continue to get steady work repairing homes damaged by Sandy and continue weaning themselves off their side jobs. By the end of 2014, Escobar is proud to say they are able to depend on Roca Mía for about 70 percent of their incomes.

And if they need another hand?

“He'll be another member of the co-op,” Escobar said. “Not an employee.”

After an injury, an illness and a move to another state, La Mies is down to just two members – Lorena and Mario Castillo. They still deliver their bread door-to-door, and church-to-church, earning an about \$1,000 each week. They're just about breaking even, but Lorena anticipates

widespread distribution now that they have their wholesale license. Soon, they'll be sending baked goods to the Greene Hill Food Co-op each week, she said, and they're in talks with the Park Slope Food Co-op and other potential vendors as well.

“What we want,” said Lorena, “is to open a big *panadería* so that we can have a lot more *socios*.”

She said the fact that Far Rockaway is now getting the attention of politicians and outsiders already makes the project a success. And the fact that she sees people in her community coming together to achieve something beyond an hourly wage.

As for WORCS, the group has recently decided to overhaul their training model. It's been moving at a snail's pace ever since they decided to abandon the rigid 12-week timeline. The problem, according to Ibañez, is that they've been holding both assemblies for existing co-ops and intro assemblies that draw new people with new ideas, but “we're kind of at capacity.” The follow-up with new co-ops has been weak.

“I was working with this taxi co-op and it took us two months to figure out that it wasn't going to work,” Ibañez said.

Now, the plan is to spend 2015 focusing on the co-ops already underway and start fresh the next year. That also frees WORCS up to start offering micro-loans of up to \$500 on a rolling basis in an attempt to pick up the pace of progress.

One of the first micro-loans went to Ibañez's new cooperative, a screen-printing business he's starting with some friends he's made in the Rockaways.

“My job has just been to essentially walk around a community and convince people that this is a good idea,” said Ibañez. “But then I realized I should lead by example, too.”

For Ibañez, the move is also financially-motivated. In December, he was fired from his job as an after-school teacher after allegedly dumping fake blood on Police Commissioner Bill Bratton during a protest. He was hit with nine charges, seven of which are felonies.

The papers report that Bratton took the red stain on his expensive suit rather well. “I'm picking up three new ones tomorrow, so I'll be ahead of the game in any event,” he told reporters.

At least on the surface, Ibañez seems to be taking it well, too (he's been hit with charges during protests in the past, although never anything this serious). But, at this point, he knows better than to wait on his new co-op to yield his rent money. He's got a friend who he once helped unionize a Hot and Crusty bakery in Midtown who's got a good job waiting for him, he said.

“I try to focus on the other and it comes back to me,” Ibañez marveled.

Depending on how his trial goes, Ibañez may not be around when the 2016 workshops get underway. By then, he said, Castillo and Escobar will likely be helping to run the show.