

**Finding Economic Freedom:
Promoting Ownership in Greater Boston, Massachusetts**

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Introduction

Boston has one of the largest income gaps in the United States, making it among the most unequal in the Union by difference in overlap between its richest and poorest residents (Holmes and Berube 2016).

This is bad for a variety of reasons. High rates of inequality within cities reflects in smaller tax bases and complicated politics when it comes to making capital investments (i.e., “who benefits?”). High rates of inequality in a region are also likely to contribute negatively to public school quality – wealthy parents in high inequality communities are more likely to opt for private systems over a weak local public school system. It is also thought to contribute to higher prices for commodities for all income groups, disproportionately affecting weaker earners (Holmes and Berube 2016).

The idea that inequality is systematic under capitalism is well substantiated. According to data on poverty in America from the U.S. Census Bureau’s 2019 Current Population report, the worst off are households led by single mothers (24.3%), young adults without high school diploma (23.7%), households led by an unemployed parent (26.4%), and Black people (18.8%) (Fay 2021).

Further examination into the Black-white wealth gap from another Brookings Institute report shows this disparity in terms of family wealth: \$171,000 for the average white family versus only \$17,150 for Black families – nearly 10x less, a product of “accumulated inequality and discrimination” over the course of three centuries of white colonialism on the North American continent (McIntosh, Nunn and Shambaugh 2020).

In addition to 246 years of chattel slavery, the report goes on to credit the failure of the Freedman's Savings Bank (whose "Congressional mismanagement" lost nearly \$3 million for Black people in 1874 with no FDIC insurance), the violent destruction of the Greenwood District of Tulsa, Oklahoma in 1921 (nicknamed "Black Wall Street"), as well as the intentional exclusion of Black people federal legislation designed to promote property ownership, including the Homestead Act of 1862 as well as the original housing provisions of the GI Bill, in which mortgage-lenders excluded African-American people from financing in predominantly Black or white neighborhoods (McIntosh, Nunn and Shambaugh 2020).

Amid the Boston Area's unfortunate reputation for inequality and racism (Adams 2021), the city was also once known as a hotbed of revolutionary activity. And, while the Commonwealth has remained a safe haven for progressive Democrats over the last thirty years, recent efforts in Eastern Massachusetts to create inter-generational wealth primarily in Black and Immigrant communities aren't led by politicians, **but by a number of local community organizations dedicated to bringing economic justice and restoring community-ownership in these historically marginalized communities.** What follows is a comprehensive literature review of five incredible community organizations currently working to bring wealth to the communities that deserve it.

Boston Ujima Project

Ujima is a Swahili word meaning “Collective Work and Responsibility.” It is also the third principle of Kwanzaa. In Boston, the Ujima Project describes itself as an “**ecosystem of innovative strategies for transformation.**” Put simply, in economic development terms, the organization is a sort of **local business association** that doubles as a **place & principle-based community investment fund.** They also describe themselves as “a community controlled, local economy led by Boston’s working-class residents of color.”

The organization is structured around its members, who may include (according to their website) individuals, small business owners, workers, grassroots activism groups, impact investors, faith, and civic organizations. Each member may contribute to a capital fund, and each member, regardless of contribution, receives a vote in the fund’s governing body. Community votes are held frequently and may have to do with decisions in which local businesses or real-estate projects are worth investing in – as well as what kinds of standards they’d like them to uphold as a condition of funding (paying a living wage, for example). Assemblies are held at a neighborhood and citywide level, where members are able to decide on the priorities most important for their specific community, as well as Boston as a whole.

The Ujima Project also supports a Good Business Alliance, in which businesses may engage in good faith-knowledge transfer as far as providing technical support, as well as cooperative purchasing and other joint ventures to allow member firms to benefit from somewhat of an economy of scale.

Ujima Boston is also transparent in its efforts to engage in government lobbying efforts, with specific goals of **encouraging divestment** in extractive industries (given examples include fossil fuel and prison industries) and **increasing investment** in social enterprises such as itself.

Its efforts to implement a time-based local currency called a “Timebank” reflect that same goal – encouraging fair cooperation as a means to encourage mutual growth and widespread community success. Above all else **Ujima is about encouraging cyclical community investment through endogenous growth** (The Ujima Project 2022).

Massachusetts Solidarity Economy Initiative

Typically abbreviated in their own literature as SEI, the Solidary Economy Initiative acts primarily as a fundraising and grant-making entity for its own network of partner organizations. Its main function is to connect a non-profit to donors, linking a grassroots cohort of nine community-based field projects with its “funder cohort,” called the “Solidarity Philanthropy Learning Circle.” Members organizations of both cohorts work together based on common principles of economic democracy and collective decision making to support a “Just Transition” to more just economic systems – called “Solidarity Economies” (Massachusetts Solidarity Economy Initiative 2022).

One cohort member, the **Center for Cooperative Development and Solidarity**, was founded in 2015 by a grassroots group of Latino residents of East Boston to discuss solutions to rising concern around the issues of gentrification and displacement. With a main goal of aiding cooperative development in East Boston, CCDS has helped to support the development of three worker-owned cooperative businesses in the neighborhood since joining SEI in 2016, including *La Sanghita Café*, *The Eastie Farm*, and the *East Boston Meditation Center*. The Center stresses

as its main tenants the importance of the shared culture of Spanish speakers as a means to widespread community education and aims to expand its efforts of informing community members about cooperative ownership as a means to economic freedom, with ambitions to become an independent community-supported entity not reliant on grant funding (Center for Cooperative Development and Solidarity 2022).

Another grassroots member, the **Greater Boston Community Land Trust Network** was founded with a similar goal of shielding the communities it serves from the pressures of gentrification and displacement caused by speculative real-estate development in low-income neighborhoods. Boston's **Dudley Street Neighborhood Initiative**, started in 1988, stands as the best example of a CLT in Greater Boston, and owns more than thirty acres of land featuring parks, a charter school, an urban farm, a greenhouse, and 226 affordable housing units on the property. Land trust homeowners benefit from organizational financing support, which helps to avoid the extra cost of private mortgage insurance and, though sales prices are capped at 5% of original purchase value, residents are able to sell their homes at prices that include the cost of whatever improvements they've made, making membership in a CLT a much better means of amassing wealth than paying rent to a landlord. With more than 200 CLTs currently operating across the US, the Greater Boston CLT Network serves to promote an already-successful model but, in terms of expansion in Boston's hot real-estate market, the organization admits that acquiring new land has been a real challenge (Greater Boston Community Land Trust Network 2022).

Other **Solidarity Economy Initiative** members include the **Black Economic Justice Institute**, **City Life / Vida Urbana**, the **Brazilian Women's Group**, the **Chinese Progressive Association**, **Matahari Women Workers' Center**, **Neighbor to Neighbor**, and **Neighbors**

United for a Better East Boston – each of which have goals consistent with the ideals of the solidarity economy movement: supporting marginalized populations in Greater Boston to build wealth by taking ownership of their communities (Massachusetts Solidarity Economy Initiative 2022).

Cooperative Development Institute

Like other organizations in this list, the **Cooperative Development Institute (CDI)** is a 501c3 non-profit dedicating to providing technical support to emerging cooperative social enterprises based on proven models of employee ownership, ranging from formal classes as part of their **Participatory Management Initiative**, teaching business owners how to implement democracy into their current business practices, with the eventual goal of moving towards employee ownership, to free publications like **Co-op 101: A Guide to Starting a Cooperative**. For all of its seed organizations, the Institute is committed to providing guidance at all steps of the process, from brief **one-on-one consultations** with stakeholders to “**long haul**” hand-in-hand work (Cooperative Development Institute 2022).

As part of their **Business Ownership Solutions** program, leaders work with both current business owners and employees to determine their potential future in worker-ownership, either as a “whether as a succession plan or as a growth strategy.” The program pitches this model of transition as a good way for current business owners to get a fair return on their business and an opportunity for current workers to build wealth (Business Ownership Solutions 2022).

The Institute’s NEROC program (stands for **New England Resident-Owned Communities**) is an initiative poised to transition private prefab-home parks from for-profit businesses into cooperative businesses, not unlike a **community land trust**. When these

subdevelopment-type properties go up for sale, NEI reaches out to current residents to explore the possibility of buying the park themselves. The program includes resources for every step of the process, from acquiring financing to the logistics of actually running a park. Since 2009, the program has helped residents of over 50 parks convert an estimated 4,800 homes to resident ownership around New England (New England Resident Owned Communities (NEROC) 2022).

A third program, **Cooperative Food Systems** applies the same principles to agricultural businesses, providing the same kinds of support for established and early-stage farms interested in cooperative ownership. Many of these initiatives, including **New Hampshire Community Seafood**, operate as “multi-stakeholder” cooperatives, where both the fishermen and their customers invest in the venture at the start of a season – customers receive their “share” in the form of a pre-paid eight week “season” worth of fresh fish (Cooperative Food Systems 2022).

Coalition for Worker Ownership and Power

As each of these cooperative development entities have thus far existed as part of a network, each playing a differing role in the survival and future success of the worker-ownership movement, the **Coalition for Worker Ownership and Power** (pronounced: “CoWOP”) is a Massachusetts-based organization dedicated to advancing the cause of cooperative ownership through legislation. The policy platform is as follows:

First, the legislature should move to **expand workforce development training programs** such as those offered through the Workforce Innovation and Opportunity Act (WIOA), along with other on-the-job training initiatives, **to support cooperative development**, “including training in business ownership, development, and management skills.” This bill – H.2059 – was sponsored in 2021 by Rep. Paul Mark and Erika Uyterhoeven.

The legislature should budget specific **grant and loan guarantees** for financing cooperative businesses, as well as increase funding for non-profit community development agencies involved in providing technical assistance for co-ops as part of their regular duties - these both filed as amendments to the supplemental budget outlined by the American Rescue Plan Act passed 2021 in response to the Covid-19 Pandemic.

Two additional bills (H.511 and S.261) are set to **formalize the role of the Massachusetts Center for Employee Ownership**, as well as create a nineteen seat Advisory Board on Employee Ownership to advise the Governor. It will also represent the Commonwealth's commitment to promoting employee ownership as a future economic development strategy.

A final bill sponsored by Senators Jason Lewis and James B. Eldridge (S.1223) poses an act requiring that at least 40% of board members for companies earning over \$100 million in annual revenue be elected by employees, ensuring a certain level of democracy within large corporations in Massachusetts.

Other bills under consideration promoted by the Coalition include **Right of First Refusal** (H.2021) to workers of existing businesses whose owners decide to sell, as well as an act to create a commission to determine the feasibility of an inclusive ownership fund funded through stock transfers from large corporations, which would also include a provision for worker representation on boards – like the previous bill (The Cooperative MA Platform 2022).

Conclusion

Currently, each of these organizations depends on one-another as fledgling nodes within a network of solidarity economies for support. And, though this kind of community-support would be essential to the shared mission of maintaining full economic democracy for these organizations, the solidarity economy movement in Boston still remains dependent on grant funding from philanthropic sources, and probably will for some time. For a young movement, though, with much of the most successful organizing campaigns having emerged in the last ten years, there is plenty of room for hope for these budding social enterprises. And, with so many examples of small-scale success since, it is worthwhile to remain hopeful that the incoming generation of young entrepreneurs will have a noticeable impact soon enough. It takes more than one generation to build inter-generational wealth.

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