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**The Work That Sustains Us:
Worker Cooperative Development in U.S. Cities Since 2012**

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**The Work That Sustains Us:
Worker Cooperative Development in U.S. Cities Since 2012**

by

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Dedication

I dedicate this thesis to the current and aspiring co-operators of the world, as my contribution to Cooperative Principle #5.

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Abstract

The Work That Sustains Us: Worker Cooperative Development in U.S. Cities Since 2012

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In the United States, city governments have long attempted to influence economic activity within their jurisdictions. Often this has manifested as a competitive effort to attract businesses from other cities. Such tactics are controversial; over time many citizens have fought this tendency, seeking instead to develop institutions and practices that provide direct and tangible benefits to existing residents, especially underprivileged ones. More recently, the threats of climate change and environmental unsustainability have broadened the conversation about the meaning of localized economies and municipal development. In this thesis I examine a new phenomenon - cities developing worker cooperative businesses - within the context of these competing sets of municipal economic development practices. I investigate the hypothesis that municipal support for worker cooperatives indicates a shift in how cities are pursuing and discussing economic development. Specifically, this shift may be in response to the increased prevalence and acceptance of sustainability within urban planning policy in general.

The first part of this thesis provides context for understanding the current American municipal economic development landscape. I first relate the history of worker cooperatives in the United States, and government support for their development. Then I locate five “frames” or common ways of understanding how cities focus their economic development efforts. These frames illuminate patterns of discourse - ways people talk - about the scale and purpose of a city’s economic development policy, as well as the mechanisms to do so, and how success is measured.

Then, in the second part of this thesis I reconstruct how nine cities have started to support worker cooperatives, and the vocabulary used by all actors involved in these events. Driven by the question, *How do public and private actors frame the relationship between economic development and worker cooperatives?* I seek to understand *what might this framing suggest about the motivations city governments have in supporting worker cooperative development?* I answer these questions by analyzing recorded documentation on city’s actions - resolutions, public comment, and staff reports - as well as semi-structured interviews for two select cities.

Reflecting on the discourse in each city, and the mosaic of case studies as a whole, I go on to argue in the concluding chapters that worker cooperative development does represent a shift in economic development practice, but a small and still incohesive one. On the one hand, government actors portray worker cooperatives as just another form of (capitalistic) business, with the capacity to create high-quality, well-paying jobs, and increase the city’s tax revenue and economic activity. These are hallmarks of

traditional and community economic development ways of thinking that do not incorporate the environmental consequences of economic activity. On the other hand, governments frame their support for worker cooperatives in light of the way cooperatives have the potential to further support sustainable activity in areas such as food, waste, and social relations. Significantly, worker cooperatives are seen as inherently tied to place, both geographically and socially, an important characteristic of many visions of sustainability. While these case studies do not indicate a unified movement amongst cities pursuing this form of economic development, I offer in my conclusion some pragmatic insights for activists and scholars seeking to understand or help implement these tactics in their own city.

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Chapter 1: Introduction

In late 2016, I heard about an intriguing new phenomenon: U.S. cities expressing support for, even directly funding, the development of worker cooperative businesses. This new wave of municipal support for worker cooperatives has been growing since 2012, taking the form of City Council resolutions, programming initiatives, and budget items earmarked for cooperative development. While these initiatives have gained attention in some media outlets, little research has been done to identify any patterns in how cities are describing their interest in pursuing this economic development tactic. The goal of this thesis is to reconstruct the processes that led to these cities' initiatives by compiling documentation and conducting detailed analysis of the discussions that surrounded their implementation. My intention is to provide useful information about economic development practice for academics and activists alike.

1.1 CONTEXT

Worker cooperative development initiatives are occurring in the context of municipal economic development. Economic development in the United States at the municipal level has at various times involved tax incentives, land giveaways, workforce development programs, and public-private partnerships. Worker cooperatives have rarely been an economic type developed directly by city governments. Worker cooperatives have largely been formed by groups of people seeking to provide themselves with jobs, goods, and services in times of economic crisis or exclusion.

Municipal economic development practice has evolved over time due to changing political and economic considerations. I argue that this evolution consists of using different “frames” to talk about and contextualize particular practices. These frames begin with

“traditional” economic development, a way to attract and stimulate general for-profit business activity within an area. Criticisms of the failings of this approach, especially for marginalized and low-income populations, led to a set of practices and institutions operating within community economic development. While CED has done much to address social issues, it has also been deeply tied to government entities. Activists and scholars have begun to conceptualize a “social economy” which is outside of both public institutions and for-profit private businesses as a way to address shortcomings of CED. During the same time as economic policy has evolved, so have environmental concerns, and they have also changed the framing of economic development practice. Climate change and environmental degradation have entered the picture, and sustainable development has become a framework for promoting reconciling environmental protection with economic activity. The criticism of this practice is its lack of focus on social equity, and emphasis on financially-focused economic growth. In response, the concept of “resilience” is experiencing a resurgence, presenting a way for humans to create adaptive, complex systems for addressing increasingly extreme social and environmental changes.

Interestingly, worker cooperatives are mentioned as an organizational model that fit into all but one of these frames (traditional economic development - although they are hardly specifically excluded from that). Worker cooperatives can thus indicate a variety of economic framings. The premise of this thesis is that it would be interesting to know in what ways cities are conceiving the current and potential role of worker cooperatives in their local economies.

1.2 RESEARCH PROBLEM AND RESPONSE

Since 2012, the governments of at least a dozen U.S. Cities have expressed verbal or financial support for the development of worker cooperatives. This support has taken the form of City Council resolutions, research projects, outreach programming initiatives, and both capital

and operating budget items. While cooperative advocates and alternative media have taken notice, the initiatives and the processes leading to them have not been well documented. Furthermore, while there are some national organizations working on cooperative advocacy, these initiatives are mostly operating at independent, municipal scales. Due to their recent emergence and seeming lack of overall coordination, little academic research has been done to understand how these initiatives have come about, and more importantly, how cities describe their reasons for pursuing them.

In this thesis I seek to address this research gap by reconstructing and contextualizing the broad themes present when people discuss these new worker cooperative development initiatives. Such an analysis may help us understand the cities' motivations in doing so. Partially I am motivated by understanding if the discourse of "sustainability" has influenced the creation of these initiatives. As will be discussed in Chapter 2, many cooperative advocates and researchers believe that worker cooperatives are inherently compatible or even integral to achieving a more "sustainable" society. Furthermore, sustainability is an increasingly discussed term at the municipal level, especially as the threat of climate change becomes more imminent and tangible. Thus, a basic premise of this research is that investigating how people talk about worker cooperatives and what they mean can indicate how the public frames activities of economic exchange in a society that is more "sustainable."

The hypothesis is that the recent promotion and support of worker cooperatives by municipal governments indicates an evolution of economic development practice. I further hypothesize that this evolution may represent incorporation of, or response to, "sustainability" as a discourse within economic development. To investigate this hypothesis, I ask two primary research questions of the cities described in the next section: how do public and private actors

frame the relationship between economic development and worker cooperatives, and what does this framing suggest about the governments' motivations in doing so?

To answer my research questions, I employ a comparative case study approach, analyzing the themes present in discussions about worker cooperative development initiatives in the following cities:

1. Austin, Texas
2. Berkeley, California
3. Boston, Massachusetts
4. Madison, Wisconsin
5. Minneapolis, Minnesota
6. New York, New York
7. Oakland, California
8. Philadelphia, Pennsylvania
9. Santa Ana, California

I chose these cities because they are places where the municipal governments have expressed support for developing worker cooperatives either via public statements, budget items, or both. Further case study selection criteria are discussed in Chapter 3.

1.3 PURPOSE AND SIGNIFICANCE

As a student of sustainable design as well as community and regional planning, I seek to continue to define the very terms of the disciplines, both to deepen the discussion and to enhance my own practice. I have had a keen interest in worker cooperatives since working as a seasonal employee on a small-scale worker cooperative farm in Québec, Canada. My current work includes a role with an Austin-based cooperative business advocacy and educational association. Thus while I am motivated to better understand cooperatives and their potential role in municipal economies, I am also aware of their limitations and potential shortcomings from an intimate

perspective. It is my intention that this study will bring more attention to the worker cooperative business model and open up discussion for planners about the broader possibilities of “sustainable” economic development in the future.

1.4 THESIS ROADMAP

The thesis begins with a literature review, which I refer to as the Conceptual Context. This refers to the fact that worker cooperatives and their development are an understudied, under-researched, and emerging field within academic economic development literature. As such, my purpose in this section goes beyond reviewing what scholars have previously written under those somewhat narrow auspices, and includes cross-disciplinary insights into broader social, economic, and cooperative themes. My intention is to orient the reader to the currently heterogeneous and evolving cultural and theoretical context within which worker cooperative development is occurring within the United States as of late 2018.

The first section of the Conceptual Context discusses the context for developing worker cooperatives in the United States. I begin with a discussion of how worker cooperatives are defined, as well as common claims about their advantages and disadvantages in a variety of settings. I briefly examine the history of worker cooperative development, especially the role of governments, throughout the history of the United States, and touch upon the efforts of other countries’ governments to do so. Many of these governments are oft-cited examples of how the United States could develop worker cooperatives with public institutional support. Next the conceptual context puts the history of worker cooperative development into the context of five economic development “frames.” In brief, I discuss how traditional economic development practices, while still existing, have given way to alternative practices such as community

economic development, the social and solidarity economy, sustainable economic development, and community resilience.

Chapter 3 provides a detailed account of my research questions and methods. It specifically outlines how I selected the case studies. I also provide a more detailed explanation of my unit of analysis, how and why I used interviews to triangulate my findings, and my epistemological and analytical assumptions. At the end of this chapter is a section that provides context for the cities as a whole, including a national timeline, and tables providing summary information on basic social and economic characteristics for each city.

One of the most interesting findings is that Each city studied here has taken a unique approach to worker cooperative development. For readers interested in the details of each city's initiative, including timelines and specific themes found in each discussion, Chapter 4, Findings, provides an in-depth discussion. Those primarily interested in the overall takeaways and comparative conclusions will find those in Chapter 5. Finally, in Chapter 6, I offer concluding thoughts on how this study provides new insights into this poorly understood area and what we can learn about the ongoing evolution of economic development practice in the United States.

1.5 DEFINITIONS

Before going any further, a brief overview of some of the key terms I use throughout this thesis.

Frames: A major focus of this thesis is understanding how cooperatives fit into one's perception of how economic development should be practice. For me, this perception is a type of "frame," or a "way of looking at the world" that is shared by many people (Dryzek 1997). It is a way of putting boundaries around a set of ideas to form a logical or coherent system, but not necessarily an impenetrable one. Rather than a lens through which one looks at the world, a

frame is a way of understanding what we see, understood in how we express about it in words and actions.

Cooperative advocates: By this I mean people who are either professionally employed, or working in a volunteer capacity, to raise awareness about and promote the cooperative business model. It also includes academics who write about cooperatives in a favorable way. Such advocates often seek to increase the number of cooperatives, as well as their relative prominence, within the U.S. economy. I assume such advocates inherently value cooperatives and are somewhat reluctant to highlight shortcomings of cooperatives. However, it is a broad term, and I may apply it to people to who might not self-identify this way generally, although I do not do so to be reductive; I recognize people may simultaneously carry within them multiple, even sometimes contradictory, perspectives.

Cooperatives: As will be discussed in Chapter 2, “cooperatives” is an umbrella term for a wide variety of business types, although they all highly similar guiding principles and ownership structures. In this thesis, I am largely concerned with “worker cooperatives” and have narrowed my focus to understand how people talk about worker cooperatives specifically. However, people rarely talk about worker cooperatives on their own, and even when they do, the meaning of the term can still imply multiple different ownership types. In general, in this context I am using “cooperatives” and “worker cooperatives” somewhat interchangeably, mostly for the purposes of both brevity and inclusivity of dialogue. The reader should understand that when I say “worker cooperatives” specifically that is intentional, and when I use “cooperatives,” I am referring to both worker cooperatives and other types, such as consumer cooperatives and producer cooperatives, as a general category. The use depends on each city’s context, because

the discourse in some cities groups “business cooperatives” all together, and in other cities is much more narrowly focused on “worker cooperatives” specifically.

Chapter 2: Conceptual Context

2.1 INTRODUCTION

Municipal support for worker cooperatives in the United States has been growing since 2012, evidenced by a wave of resolutions, initiatives, and new funding initiatives. At first glance, the cities pursuing this strategy appear to vary in size, location, and economically;¹ each city potentially has different intentions in seeking the development of worker cooperative businesses. While these initiatives have gained attention in a few media outlets, little research has been done to identify why these cities are currently pursuing this economic development tactic, both individually and simultaneously. In this thesis I seek to reconstruct and contextualize the broad themes present in discussions about worker cooperatives development in these cities. My intention in analyzing the context and themes is that they point to the cities' motivations in supporting worker cooperatives in words and in actions.

According to some advocates and researchers, worker cooperatives are inherently compatible or even integral to many different visions of “sustainable” social and economic activity. For the past few decades, designing more sustainable cities and implementing more sustainable policies has become an increasingly discussed theme in city planning in North America. Thus, a basic premise of this research is that investigating how people talk about worker cooperatives and what they mean can indicate how people visualize activities of economic exchange in a society that is more “sustainable.” My hypothesis is thus that the recent promotion and support of worker cooperatives by municipal governments indicates an evolution

¹ For a discussion of the full list of cities discussed in this thesis, see the section “Case Selection” in the next chapter (Chapter 3).

of economic development practice. I further hypothesize that this evolution may represent incorporation of, or response to, “sustainability” as a discourse within economic development.

What follows in this chapter is a literature review, which I have chosen to refer to as a “conceptual context.” I use this phrase because worker cooperatives and their development are an under-studied, under-researched, and emerging field within economic development literature. As such, my purpose in this section goes beyond reviewing what scholars have previously written under those somewhat narrow auspices, and includes cross-disciplinary insights into broader social, economic, and cooperative themes. My intention is to orient the reader to the currently heterogeneous and evolving cultural and theoretical context within which worker cooperative development is currently occurring (as of 2018) within the United States.

The first part of this conceptual context is a brief discussion of the basics of worker cooperatives and a history of worker cooperative development in the United States. Then, in order to understand the meaning and vocabulary used within public discussions in the selected case cities, in the second part I compare five frames of economic development practice, their intended benefits and criticisms, and how worker cooperatives are relevant to each (if applicable). Understanding the ways in which worker cooperatives fit into or challenge ways of framing economic development practice can be useful to advocates and policymakers who wish to better direct or design initiatives such as the ones studied here and will be useful context for my analysis and conclusions.

2.2 WORKER COOPERATIVES IN THE UNITED STATES

“Cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility.”

2.2.1 What is a worker cooperative?

Worker cooperatives are a type of cooperative. Simply put, cooperatives are “user-owned, user-controlled and user-benefitting businesses” (Audebrand et al., 2016, p. 218). One of the most commonly cited and broadest definitions of cooperatives comes from the International Co-operative Alliance (1995). The ICA describes cooperatives as voluntary, autonomous organizations that are formed to meet a common economic, social, and/or cultural need. Specifically, cooperatives provide their member-owners (who could be workers, consumers, producers, residents) with services or goods (like food, housing, employment, or other needs), sometimes generating a profit from the economic activity that results from this provision. Table 1 below (adapted from Okem 2016, p. 10) summarizes the various forms of cooperatives and their basic characteristics, perceived benefits, and examples.²

Table 1. Forms, characteristics, benefits, and examples of different kinds of cooperatives.

Worker cooperatives are just one of many kinds. Adapted from Okem (2016).

Form	Characteristics	Benefits	Examples
Consumer cooperative	Sell goods/services to members	Members pay for goods and services at reduced price	Supermarkets, grocery stores, retail outlets
Worker cooperative	Owners are simultaneously its employees	Guarantees employment of workers; improves worker commitment, working condition,	Tourism business, cleaning agencies, farms, construction companies

² Note: in the United States, financial cooperatives are often known as credit unions. Other common types of cooperatives are housing cooperatives, utility cooperatives (a sub-type of consumer cooperatives), and multi-stakeholder cooperatives which often combine two or more forms such as producers and consumers.

Table 1 continued

		wages, and productivity	
Producer cooperative	Found mainly in the agricultural sector and provides value added services to members	Reduces transaction costs through the use of shared facilities, common marketing outlets, and common brand	Shared milling plant, shared market outlet
Financial cooperative	Operates in the financial sector. Its capital is sourced from members' contributions	Resilient financial institutions; better source of finance for cooperatives	Cooperative banks, savings and credit cooperative societies, insurance

In general, worker cooperatives are economic institutions whose structure exhibits a fundamentally different orientation to labor, profit, and management practices in comparison to other types of businesses or non-profit organizations. As cooperatives, they are both “jointly owned” *and* “democratically managed” enterprises [emphasis added], meaning that each member has equal control of the cooperative (often referred to as “one worker, one vote”) (Simon 2001). In worker cooperatives this is especially visible, as the members control not only the organization’s overall strategy and purpose, but also manage decision making processes and outcomes. Worker cooperatives’ decision-making structures vary from firm to firm, but “what is universal is that decision-making roles are defined, and members have majority control over the highest decision-making body” (Abell, 2014, p. 12).

In addition to this basic structure, all cooperatives, including worker cooperatives, are guided by what are known as the Cooperative Principles, sometimes referred to as the Rochdale Principles (ICA, 1995; Okem, 2016). Table 2 below from Abell (2014) provides a summary. These principles emphasize that a cooperative must not only have a particular structure (voluntary, autonomous, democratic, and jointly owned), but also a particular orientation towards

society and other cooperatives. In adhering to these principles, all cooperatives must have a “concern for community,” help to educate and train members of other cooperatives and the general public about the cooperative model, and generally cooperate with other cooperatives (Rochdale Pioneers Museum, n.d.). As will be discussed in the next section, cooperative advocates’ claims about cooperatives’ larger social and economic impacts are directly linked to acting on the principles described here, especially the latter, more outward-facing ones.

Table 2. The Cooperative Principles.

Adapted from Abell (2014) and the International Cooperative Alliance (n.d.).

Principle	Description	Meaning
1	Voluntary and open membership	Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
2	Democratic control	Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.
3	Member economic participation	Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.
4	Autonomy and independence	Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Table 2 continued

5	Education, training, and information	Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.
6	Cooperation among cooperatives	Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
7	Concern for community	Cooperatives work for the sustainable development of their communities through policies approved by their members.

Because of their organizational structure and adherence to this specific set of cooperative ethics, worker cooperative owners and cooperative advocates claim that cooperatives represent a significant departure from conventional, investor-owned corporations. Decision making in the latter is largely motivated by providing financial control and returns to investors in proportion to the amount they invest in the company. In worker cooperatives, while management control may be equally distributed, profit is often (but not always) allocated in proportion to each member's amount of work performed, not stock invested (Simon 2001), even if some workers may own more capital stock in the cooperative than others (Heuth, 2017; Fakhfakh et al., 2012). While conventional corporations also often share their profits with their employees through performance bonuses and other rewards, emerging research suggests that in worker cooperatives, such dividends can be twice as big (Fakhfakh et al., 2012), and are allocated equitably to all members, not just a few employees. Other ripple effects result from cooperatives' unique legal status in some places. Depending on a worker cooperative's location and subsequent legal requirements, cooperatives may also be required to plow a minimum percentage of the surplus back into the cooperative or into a communally held cooperative development fund (such as in France or Italy) (Fakhfakh et al., 2012).

In the following section, I explore the perceived advantages and disadvantages of cooperatives as espoused by academics, worker-owners, and cooperative advocates. These claims are largely based on interpretations of how a cooperative's structure influences both its internal workings and external relationship to the economy and society.

2.2.2 Advantages of worker cooperatives

Due to their unique structure, purpose, and ethos (in particular an adherence to the Cooperative Principles discussed in the previous section), advocates claim that worker cooperatives provide myriad benefits to their individual members as well as society at large. Academic researchers have also found some evidence to back up these claims although many claim more empirical research needs to be done. Worker cooperatives and their economic and political effects remain understudied, especially in the United States (Abell 2014), and notably lacking from even the most basic contemporary economics textbooks (Kalmi 2007), likely because of their ever “marginal position in most economies” (Burdín and Dean, 2009, p. 517). In general, claims about the benefits of worker cooperatives fall into three categories: *economic and financial benefits*, *social and political benefits*, and *environmental and ecological benefits*.

2.2.2.1 Economic and financial

Claims about the economic and financial advantages of worker cooperatives often begin with discussions of their purpose and structure: to provide employment for workers who both own and manage the organization. As cooperatives, these are organizations which exist for their members to earn a living, and as businesses, they must be economically competitive to survive. In meeting these goals, analysts claim that worker cooperatives tend to be just as, or potentially even more productive and efficient, compared to non-worker cooperative companies operating in the same industry (Fakhfakh et al., 2012; Craig et al., 1995). Burdín and Dean (2009) also found some evidence that worker cooperatives are also better able to respond to economic shocks. This higher productivity and economic resiliency is often attributed to workers’ involvement in their workplaces, financial and emotional ownership over their work, and knowledge about their companies’ overall financial health (Abell 2014).

Workers at worker cooperatives may also make higher wages than their counterparts in traditional firms, or private companies owned by stockholders. In worker cooperatives, the possibility of exploitation for financial gain is mitigated, since the employees are also the patrons or owners (Simon 2001), and “presumably workers would not generally vote collectively to exploit themselves as individuals” (Hansmann 1990, p. 1764). A limited number of studies on worker cooperatives have shown that they tend to have a low ratio of highest to lowest paid workers, around 4:1 rather than the U.S. conventional company average of 295:1 (Kawano 2018). Many cooperatives offer competitive health insurance and other benefits packages as well, likely for the same reasons they would offer higher pay and better pay ratios. This accounts for “better paying jobs” than conventional firms typically offer in the same industries, and combined with shared profits, translates into the ability for individual members of worker cooperatives to “build wealth” for themselves and their families (Abell 2014). For many worker cooperative advocates, including those at the United Nations (2010), this means that worker cooperative ownership represents a way towards the “eradication of poverty” (p. 2) via increased income and other work benefits. These themes of economic security, poverty alleviation, and individual and collective asset building, are relevant to the discussion of economic development framings in relation to worker cooperatives discussed in the next part of this conceptual context.

2.2.2.2 Social and political

Many advocates and academics believe that the benefits of worker cooperatives extend significantly beyond the economic and financial realm. They posit that worker cooperatives may also provide a variety of social and political benefits, not only to their members, but also to society at large (Okem 2016).

Abell (2014) claims that of all cooperative types, worker cooperatives “often have the greatest impact on their members” (p. 5), not only because of the financial benefits mentioned above, but because they offer jobs with “dignity,” or ones in which workers are valued rather than exploited (p. 12). Worker cooperatives provide an opportunity for individual “skill building and professional development,” and give members “a voice in key decisions and enhanced control over working conditions” (p. 12). In other words, the worker cooperative structure, particularly its use of “democratic participation” (Krishna 2013), arguably provides a vehicle for individuals to feel more empowered to speak up for themselves and their preferences in the workplace. This effect may be particularly pronounced for women in cooperatives (Gordon Nembhard 2014), who are able to advocate for “flexible work hours to accommodate domestic responsibilities, the elimination of reproduction health hazards” and other workplace conditions (Conn, 1990, p. 373).

Beyond the benefits to the individual members, Hansmann (1990) notes that “worker participation in collective decision-making within the firm may be useful training for participation in democratic political processes in the larger society” (p. 1770). Haynes and Nembhard (1999) also point out that worker cooperatives “have the potential to engage the energies and little tapped resources of poor and other economically unsuccessful [community members] into successful economic activities” (p. 62), channeling entrepreneurial energy from illicit or harmful activities into potentially more beneficial ones. People who would otherwise not be able to start or own a business by themselves may be able to pool their resources and “generate self-sustaining value for themselves and for society” (Abell 2014, p. 14).

As locations for economic and social betterment and enhanced engagement, then, some advocates argue that worker cooperatives have the potential to spur wider social and political

action, as members “develop a new understanding of where their experiences fit in the local and global economic and political structure, and a new capacity to imagine and debate alternative responses” (Jennifer Gordon of the Workplace Project, quoted in Krishna, 2013, p. 84). Worker cooperatives are potentially “embodiments” of America’s “most long-lived and best tradition - its democracy” (Jackall and Levin, 1984, p. 283), and are invaluable institutions for fostering political awareness, civic participation, and strengthened social connectedness and awareness (Haynes and Nembhard 1999). Implicit in these assertions is the idea that worker cooperatives embody not only a better business model in terms of financial impact and efficiency, but that fostering their development will lead to more democratic and participatory communities wherever they are successfully operating.

2.2.2.3 Ecologically sustainable

The third category of claims about worker cooperatives is that they are inherently more ecologically-conscious and generally “sustainable” organizations than conventional enterprises. Many of these claims are related to the assumption that sustainability is linked to caring for a specific place or location, both in terms of physical geography and social community. Some scholars and advocates see worker cooperatives as having a fundamentally “local orientation” because of the way they are structured. As they are necessarily founded and funded by individuals seeking to fulfill a particular need, they are viewed as place-based, grounded in a specific context, and thus accountable to their physical and social locations in a way that many conventional businesses (assumed to have distant and somewhat disconnected investors) often are not (Haynes and Nembhard 1999, p. 62). For scholars such as Born and Purcell (2006), who generally take issue with an association between the local scale and sustainability, cooperatives may offer a structural way of addressing what they see as what people are really trying to address

when they call for “local” production and consumption. For example, cooperatives may offer a way of counteracting “corporate capitalist food systems” among other systems of material distribution that have had ill-effects on communities at all scales (p. 199).

Others point to the Cooperative Principles, especially Principle #7, “concern for community,” as a reason that worker cooperatives are more concerned with environmental impacts of their economic activity, especially at the local scale. Dale et al. (2013) point out that there is a high degree of overlap between the language of Principle #7 and sustainability literature, especially literature focused on “social” aspects of sustainability. Defining sustainability as the “sweet spot in which social, economic and ecological goals are self-reinforcing” (p. 5), Dale et al. (2013) found that “there is a clear and direct relationship between sustainability and how co-operatives describe themselves. The linkages to social dimensions of sustainability are stronger than the linkages to environmental and economic dimensions, but all three are present” (p.1). They point out that the language of “community” and other descriptors of social cohesion, and potentially longevity, are especially present in both the ways cooperatives describe themselves (Figure 1 below) and general sustainability literature (Figure 2), indicating significant overlap between the missions of cooperatives and the social aspects of sustainability. Abell (2014) also notes that recent studies indicate that cooperatives may have longer life spans as businesses (self-sustainability) than normal corporations, including in the start-up phase.³ These themes - “localism,” “community,” and “longevity” - are pertinent to the discussion of how economic development and sustainability are framed in relation to worker cooperatives.

³ “A 2005 study in the United States found that 100 percent employee-owned companies were roughly one third as likely to fail when compared with all public companies. Also, a study from British Columbia confirms that cooperatives of all kinds (not worker co-ops specifically) are more resilient and have greater longevity than conventionally structured businesses. The five-year survival rate of cooperatives in two Canadian studies was 64–67 percent, compared with 40–50 percent for conventional business startups in Canada” (Abell, 2014, p. 13).

Figure 1. Twenty most frequently used words pertaining to sustainability. (Dale et al. 2013).

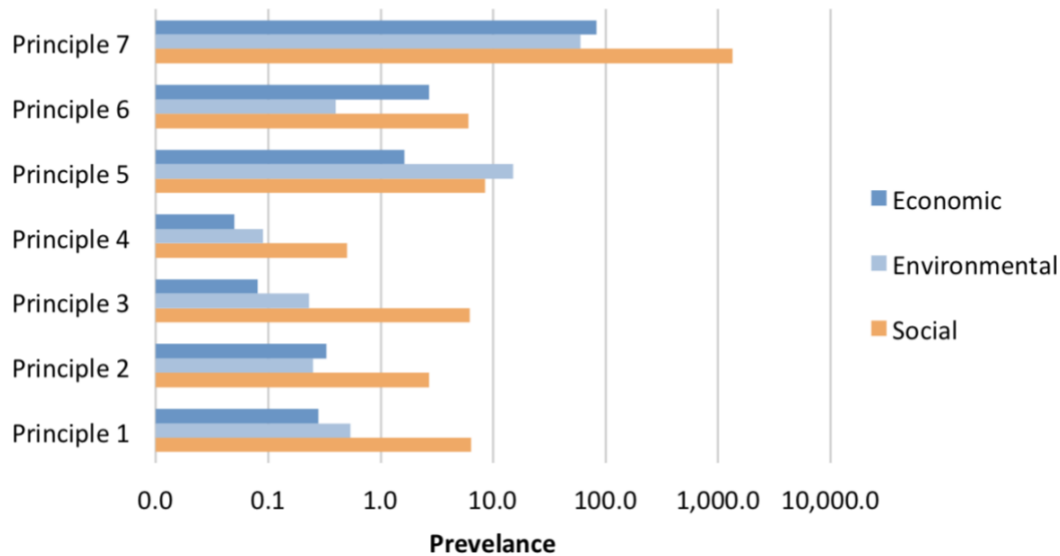
This figure shows the twenty most frequently used words having to do with sustainability, as described by on the websites of three sample groups: cooperatives, cooperative associations, and cooperatives considered to be leaders in sustainability.



Figure 2. Prevalence of co-operative terms in the sustainability literature. Dale et al. (2013).

This figure shows “where the co-operative principles concepts lie on the sustainability literature frequency curves. Prevalence values refer to the slopes of the tangent line at a given point of the curve; therefore, the steeper the slope the higher up (i.e., among more prevalent concepts) a term is. Slopes of more than 1 indicate a strong relationship. Principle 7 is particularly high because of the inclusion of the word sustainability in the co-op principle, a concept that unsurprisingly is prevalent in sustainability literature.” Notable is the strong overlap between the social aspects of sustainability (in orange) and the cooperative principles, and slightly less overlap between key concepts in environmental and economic groupings of literature and the co-operative principles.

Prevalence of co-operative terms in the sustainability literature



2.2.3 Disadvantages of worker cooperatives

While many scholars and advocates claim that worker cooperatives offer many benefits, not everyone agrees. Arguments about the disadvantages and downsides of worker cooperatives are closely related to their management structure, purpose, and value system.

A primary concern is that worker cooperatives lack easy access to financing and capital. “Because it is impossible (or at least not easy)...to give ownership-type control rights to outside capital suppliers, they must finance themselves through inside equity - investments by patrons - or debt” (Simon 2001, p. 134). Loans from banks are often “challenging to secure...because the

model is not well understood, and accountability is perceived as too diffuse” (Abell 2014, p. 24). And, as Krishna (2013) notes, like all businesses, worker cooperatives take enormous amounts of resources to start and to maintain. But this is not only financial resources; it also involves significant investments in human resources and organizational structure.

Maintaining a worker cooperative is not only a matter of keeping a business running and profitable, but also remaining “a values-oriented association of people” and being true to the Cooperative Principles (mentioned in the section about worker cooperatives above) (Krishna 2013, p. 65). Audebrand et al. (2016) describe worker cooperatives as paradoxical institutions, pointing to the difficulties between “the needs to be both democratic and hierarchical, both socially and economically beneficial, both alternative and mainstream, and both autonomous and collaborative” (p. 235). A failure to successfully navigate the inherent tension in worker cooperatives between “quantitative profit maximization” and “qualitative, value-oriented goals” can spell organizational breakdown and the end of the business. This means a major loss of investment for the worker-owners (usually in the form of savings or even individual credit), as well as social disruptions for any involved or impacted communities outside of the cooperative (Krishna 2013, p. 93). The worker cooperatives that survive and flourish in spite of these challenges, argue Jackall and Levin (1984), are those that work “toward the de-monopolization of knowledge” within the organization (p. 102), via increased financial and organizational transparency, rotations in work duties, and deliberate employee skill-building. In their view, cooperatives also survive when they “develop genuine cooperation by embracing conflict” (p. 102).

When worker cooperatives require their members or operations to have strict adherence to ideology or specific value systems, either in relation to other organizations or within the

worker cooperatives themselves, this can result in “dissolution of scores of individual cooperatives and the collapse of whole federations.” The “co-op wars” of Minneapolis and related disputes in San Francisco, both in the 1970s, exemplify such implosions, and will be discussed in the next section.

Worker cooperatives can face organizational breakdown and dissolution via other means, such as a gradual reduction in the number of worker-owners, or lack of investment in the worker-owner culture, and subsequent “reversion” or “degeneration” into more traditional investor ownership business models (Hansmann 1990). While the company may survive in that case, for some scholars, such a move proves that the worker cooperative model is untenable in the long run. Such a “reversion” might occur if, after establishment, new hires are brought on not as worker-owners but as employees (Ben-Ner 1984),⁴ either because worker-ownership is financially untenable for the new hires, or because the worker cooperative concludes that it is financially advantageous to hire employees rather than bring in new owners at that time (Hansmann 1990). Worker cooperatives may also have difficulty retaining managers or other longer-term employees who may want to be paid more or who may be offered higher wages elsewhere (depending on the industry). This dynamic may cause highly knowledgeable or long-time worker-owners to leave the company, undermining its viability (Simon 2001). An example of such a phenomenon is the case of the Burley Design Cooperative, a bike manufacturing company in Oregon. During a period of rapid expansion in the 1990s, “the cooperative no longer dedicated the time or the resources to the development of organizational culture,” which gradually resulted in a lack of social and organizational cohesion. This eventually led to a vote

⁴ This research is primarily about producer cooperatives but deemed relevant for this context.

by the members to convert the business into a traditional corporation after twenty-eight years of existence as a worker cooperative (Schoening, 2010, p. 335).

Finally, some scholars believe that, while the claims about the benefits of worker cooperatives to both individuals and society are true, they are also exaggerated and rarely brought to complete fruition. Krishna (2013) notes that the “floor” of ‘one person, one vote’ “does not, in and of itself, guarantee political activism or broader social or economic change” (p. 70). Particularly during start up phases, many worker cooperatives are often run by volunteers (future member-owners), who, by necessity, have other jobs, and oftentimes demanding family commitments (Krishna 2013). Even once the cooperative is established, worker-owners may not have time or resources to be involved in further political organizing or self-education. If the cooperative must remain small due to lack of training and capacity limitations, they have to choose their priorities carefully. Cooperative development organizations have also recognized this, as in the case of WAGES (Women’s Action to Gain Economic Security) in San Francisco. WAGES changed its mission to “remove references to fostering broader social change” (Krishna 2013, p. 94), reflecting a need for the worker-owners in the cooperatives it oversaw to focus less on broader social movement goals, and instead focus on cultivating sound business practices. The tendency for most conventional employment to be hierarchical, bureaucratic, specialized, and standardized, also means that few if any people are equipped with the skills to be immediately successful in worker cooperatives. As we live in a “society of employees,” Jackall and Levin (1984) argue, “it becomes difficult for most people to conceive of other ways of arranging the world” (p. 278); “if members view membership in a cooperative solely as a means for obtaining work, and not as a means of creating systemic change, then the potential for broader change becomes limited” (Krishna 2013, p. 95).

Such a dynamic could potentially change if there were more worker cooperatives in the United States, or more people were exposed to cooperative business structures. The next and final part of this chapter describes the history of worker cooperative development in this country, and points the way towards their potential evolution.

2.2.4 HISTORY OF WORKER COOPERATIVE DEVELOPMENT IN THE U.S.

While they have existed in the United States for hundreds of years in their modern form, worker cooperatives remain a vastly under-researched topic in academic literature in the United States. Relatively few scholars have researched the history of worker cooperative development here, and many authors cite the need for further study to understand both why they are formed and how many currently exist (Gordon Nembhard 2014; Abell 2014; Krishna 2013; Hueth 2017). Partially the lack of research is due the fact that worker cooperatives account for only a small subset of the cooperative economy, and an even smaller fraction of the economy as a whole. Recent investigations suggest that out of the approximately 30,000 cooperative businesses of all types operating in the United States in the year 2014, approximately less than 1% or about 300-400 of those are worker cooperatives (Abell, 2014). According to the Democracy at Work Institute (2018), as of 2016 American worker cooperatives employ around 4,000 people nationally and collectively generate approximately \$400 million in annual revenues. According to one study, worker cooperatives are typically small businesses: 71% of worker cooperatives in 2014 had 15 or fewer worker-owners (although they may have other employees who are not full members). The majority of worker cooperatives operate within two main economic sectors: service (35%) and retail (23%) (Abell 2014). Service sector cooperatives include health and wellness businesses, health care workers, cleaning services, alternative education and childcare, while retail worker cooperatives are restaurants and cafes, bakeries, and grocery stores. Worker

cooperatives are thus clearly only a very small share of American businesses and economic activity, especially compared to other countries with more developed cooperative sectors, as will be discussed further below.

2.2.4.1 Cooperative Development: 1790 - 1980

People have been forming cooperatives in the United States since at least the time of the country's founding, as evidenced by hundreds of documented cases since 1790 (Jackall and Levin 1984). One of the less famous examples includes early activity by African Americans in forming mutual aid societies to help free one another (Gordon Nembhard 2014). Worker cooperatives, particularly those based on the Rochdale Principles, properly emerged in the mid- to late-nineteenth century. They were founded and organized by waves of recent immigrants (often holding socialist, communist or other political beliefs, and/or from countries with cooperative traditions) who were responding to exploitative labor practices, as well as job loss due to updated manufacturing technologies. Labour unions and the worker cooperative movement were often aligned, encouraged by the Knights of Labor who "in an effort to exert democratic control over the entire economic system" sought to transform "the country into a 'Cooperative Commonwealth'" (Krishna 2013, p. 79; Gordon Nembhard 2014 p. 49).

Later, hoping to ease massive unemployment, federal, state and even some local governments assisted cooperative development in earnest during the Great Depression in the 1930s (Knupfer 2013). There were particular programs to assisting the creation of producer cooperatives, and President Roosevelt commissioned a group to study European cooperatives, especially consumer cooperatives (although this endeavor apparently lost steam shortly after the research was published), and his administration created the Division of Self-Help Co-operatives within the Federal Emergency Relief Administration (Knupfer 2013 p. 32). During this time,

thousands of cooperatives were founded to create “exchanges between laborers and farmers where laborers would work for a share of the harvest,” among other enterprises (Krishna 2013, p. 79; Jackall and Levin 1984, p. 278). Gordon Nembhard (2014) and Knupfer (2013) note that the 1930s and 1940s were also the heyday of African American cooperative development, with prominent Black thinkers such as Ida B. Wells and W. E. B. DuBois advocating for them, and activists such as George Schuyler and Ella Baker creating the Young Negroes’ Co-operative League in New York City in 1930, which planned “to train 5,000 cooperative leaders within two years” (Knupfer 2013 p. 37).

During the 1960s and 1970s, a new wave of interest in worker cooperatives began, spurred by mass social upheaval and various, sometimes competing, political movements. On the one hand, many (mostly white) young people, instead of being faced with economic uncertainty, gained the economic and social freedom to imagine new economic purposes and structures. Krishna (2013) emphasizes that the boom in cooperatives during this time was not necessarily due to a labor movement, but a middle-class counter-cultural and anti-authoritarian movement. It was also partially a reaction against the “routinization,” “fragmentation,” and otherwise “bureaucratic world” the Baby Boomers were coming into (Jackall and Levin 1984, p. 281). Many cooperatives of all kinds were formed, and while “it is difficult to know the exact number,” some estimate that between 5,000 and 10,000 were established during this time (Knupfer 2013, p. 134). Food cooperatives were especially popular, particularly those selling natural and organic foods, and by 1979 totaled around 3,000. Historians attribute their rise to “rising food costs, as well as an interest in consumer activism that favored a ‘participatory economic democracy,’” coupled with the growing influence of the environmental movement led by writers such as Rachel Carson (Knupfer 2013, p. 134).

By 1980 there were between 750 and 1000 small-sized worker cooperatives in the United States, “clustered in the service sector of the economy” - i.e., distribution, food production and service, retail, repair and maintenance, and “a variety of social services” (Jackall and Levin, 1984 p. 88). According to Jackall and Levin’s survey-based study, the majority of worker cooperative owners at that time were in their late twenties, white, college educated, and women (51% compared to 49% men). Thus, they characterize “the movement” as “a distinctly white middle-class phenomenon,” kept that way due to low salaries, erratic and uncertain career paths for people within working within cooperatives, and the homogeneity of people involved (p. 88).

However, Jackall and Levin (1984) and Krishna (2013) neglectfully disregard the African American cooperative movement that was occurring simultaneously in the 1960s and 1970s, as alluded to above. During this time, the Black Panther Party, also pursuing radical social liberation from oppressive social structures, promoted and utilized cooperatives. Their approach was rooted in and coupled with the profound need to create economic self-sufficiency for Black communities who were experiencing ongoing effects of racism, poverty, and marginalization. Gordon Nembhard (2014) points out that the Black Panther Party was involved in the creation of many types of cooperatives, including shoe factories, grocery stores and worker cooperative bakeries, as well as cooperative housing for party members and the community at large. Other African American communities embraced worker cooperatives, for example in Milwaukee, WI, where a few enterprising African Americans created a worker-owned taxi company in 1973. It was quite prosperous until a discriminatory insurance company crippled the company with extreme premiums (Gordon Nembhard 2014).

The differences in motivations for cooperative development during the 1960s and 1970s, such as those between economic necessity for African Americans and/or the working class on the

one hand, and social and environmental radicalism for the bourgeoisie on the other, as well as all shades of rhetoric in between, is perhaps best exemplified by the “co-op wars” in the Twin Cities (Minnesota), a case that will be explored in depth below.

2.2.4.2 *The Influence of Economic Cycles*

The number of worker cooperatives in the United States has waxed and waned over time, possibly in cyclical response to changing political and economic conditions. According to Jackall and Levin (1984), people have formed worker cooperatives both in response to a sudden lack of employment accompanying economic recession, or during times of social upheaval when people are able and willing to explore radical alternative social and economic institutions.

Gordon Nembhard’s ground-breaking 2014 work, *Collective Courage: A History of African American Cooperative Economic Thought and Practice*, adds to these theories. She presents the little-recognized fact that, throughout American history, African-Americans have formed cooperatives, including many worker cooperatives, as a way of procuring basic needs for themselves in the face of extremely discriminatory economic policies and institutions (p. 218). In her research, Gordon Nembhard (2014) also found that many prominent Black leaders, such as W. E. B. DuBois, espoused cooperative development over individual economic advancement, believing it to be better for all African Americans in the long run. More contemporary community organizers and civil rights activists such as John Lewis have actively helped Black communities in the deep South create cooperatives for the purposes of self-sufficiency in the face of “white economic retaliation.”⁵

⁵ It became increasingly clear during the Civil Rights era and beyond that voting rights were not enough if Black people did not have control over their food, housing, land, and work (Gordon Nembhard 2014, p. 218).

However, not all researchers agree that worker cooperatives are formed in response to unemployment or economic difficulties. Staber (1993) argues, based on an analysis of worker cooperative formation and failure rates in the Canadian maritimes from 1900-1987, that there is “certainly no cyclical pattern” of worker cooperative development in response to economic conditions (p. 137). Specifically, he does not find evidence that worker cooperatives “behave counter-cyclically” by forming only during “periods of economic stress,” and then disbanding when times are better (p. 132). However, Staber (1993) remarks that worker cooperatives tend to be formed and survive in periods of economic downturn if governments are already actively supporting their development. This theory accounts for certain waves of cooperative formation such as during the Great Depression and may have implications for those interested in forming worker cooperatives in the present era. As discussed in the previous section on advocates’ and academics’ claims about worker cooperatives, people may be interested in promoting and development worker cooperatives for a variety of perceived benefits, and thus in response to a variety of social and economic contexts.

2.2.4.3 An Example: Cooperative Development in Minneapolis

The history of cooperative development in the Twin Cities of Minnesota, provides an excellent illustration of how public discourse has influenced cooperative development in an American city, and valuable context for the themes people reference when talking about worker cooperative development in U.S. Cities today. As mentioned above, the the infamous (yet relatively unknown) “co-op wars” in the 1970s in Minneapolis and St. Paul, which included literal violence (car bombings, assaults, violent occupations) and anti-democratic activities (fraud, corruption, hostile interventions), are perhaps the largest and most intense manifestation of the confrontation of values surrounding the development of cooperatives in the U.S. The

public rhetoric and actions during this tumultuous time reflect differing ideas on what cooperatives should do, whom they should serve, what kinds of products they should sell, what kinds of organizational structure they should have, and what the scope of their economic, political, and social impact should be.

Cooperatives have been part of the local economy in the Twin Cities since at least the 1870s. By 1974, at least 12 neighborhood-scale food cooperatives had formed in the two cities. Their development was influenced by earlier local cooperative movements (based in immigrant communities), Marxist-Leninist ideology, the hippie and anti-Vietnam War movement, and trends in bourgeois politics and consumer capitalism (Knupfer 2013). Some of the cooperatives were organized as worker-owned collectives, others as consumer non-profits, and others as a hybrid of the two.

The variety of motivations for each of these groups in forming food cooperatives became more contentious over time as stores began to rival each other for customer base as well as political influence. For some, a food cooperative was a means to obtain local, organic and sustainably-produced food, unavailable at conventional grocery stores at the time. But for others who “sought working class alliances,” the purpose of a food cooperative was an economic “weapon” against corporate profits and high prices in the food industry, and as a mechanism “to create jobs for the unemployed and foster working-class solidarity” while educating the “unemployed and working masses about the politics of food” (Knupfer 2013, p. 179). Disputes eventually arose over not only what kind of food to put on the shelves, but about the ideal relationships between the cooperatives and democracy, profit, and labor conditions.

Eventually, in 1975 the tensions escalated as activists took over and dismantled rival cooperative Boards, forcibly locked members out of their own cooperatives, and violently attacked members of rival cooperative organizations and federations (Knupfer 2013; Jackall and Levin 1984). The People's Warehouse (a distribution cooperative for other cooperative grocery stores) was taken over by the Co-op Organization, a group that one prominent African-American activist at the time characterized as "petty Eva Brauns and Mussolini's" (p. 181). Another critic claimed it "was not as interested in cooperatives themselves as much as in 'sharpening their analytical and organizational skill in preparation for the real task, the building of a revolutionary party'" (p. 183). In response, a majority of the food coops in the Twin Cities formed a new warehouse, to which the Co-op Organization "retaliated by threatening, assaulting, and even bombing the vehicles of co-op members who did not agree to buy" from them (Knupfer 2013, p. 180).

This and other events, fueled by "a need for ideological conformity," led to deep factionalism, "the dissolution of scores of individual cooperatives and the collapse of whole federations" of cooperatives in the Twin Cities (Jackall and Levin 1984, p. 100). Many people ended up losing their jobs, and affordable sources of food, as a result of the "co-op wars." Because of that, many argue that the Co-op Organization, which was the main driver of the violence of the time, actually "alienated itself from the very people with whom they sought alliances: the working class," even as it promoted Marxist-Leninist ideology (p. 183).

Eventually, after the destruction wrought by the co-op wars, combined with rising food prices, inflation, and other factors, cooperatives in the Twin Cities changed in order to "remain competitive" (Knupfer 2013, p. 184). Many became less worker-operated, more hierarchically managed, and more focused on the tastes of mainstream consumers. Many of them survive to

this day. The Twin Cities, particularly Minneapolis, continue to boast a high number of cooperatives, and “the highest density of food cooperatives of any metropolitan area in the U.S.” (Kerr 2015, p. 4). What’s particularly interesting in the case of Minneapolis is not only the high number of cooperatives, but also awareness of, and recognition of, cooperatives and their importance to the local economy at the city and city district (neighborhood) level. The Minneapolis Office of Community Planning and Economic Development (2016) found in an internal report on cooperative development that many cooperatives had gotten off the ground with the help of friendly staff members, even if the city has not had specific efforts to spur or support the development of worker cooperatives, at least until very recently.

In Chapter 4, I detail my findings about Minneapolis’ recent efforts to create new cooperatives and strengthen already existing ones, which are unique in comparison to the other cities, due to the rich cooperative history there. In general, the Twin Cities, given their long history of cooperatives and the intense period of competing cooperative ideologies in the 1970s, provide both a stark example of cooperative discourse extremes, and a point of comparison for understanding how motivations for cooperative development may change over time.

2.2.4.4 Cooperative Development Since 1980

In the United States, the last major wave of cooperative development ended in the early 1980s (Krishna 2013). The recession of the early 1980s, and President Ronald Reagan’s “neoconservative response” to “champion individual freedom, deregulation, and free enterprise” (Knupfer 2013, p. 138), made it more difficult to grow existing cooperatives and less attractive to start new ones. These events prompted many cooperatives to rethink their organizational structuring (by becoming more hierarchical and less participatory) as a way to remain profitable. This was particularly true in the food sector. Jackall and Levin (1984) suggest that cooperatives

are “recurring, transitional responses to deeply rooted, persistent problems in our social structure,” formed in response to economic crisis (p. 278). Yet if the problems at hand are seemingly addressed by traditional corporations or the economic processes of the status quo, few will expend valuable energy in building alternative, usually unsupported, institutions such as worker cooperatives. When the national economy expanded towards the end of the 1980s and into the 1990s, consumer power increased even as the country continued to deindustrialize, the labor movement lost power, and cooperatives faded from the limelight (Knupfer 2013).

Nevertheless, since the 1980s and continuing through the present day, cooperative advocates and developers have been pursuing a variety of strategies to support the creation and development of worker cooperatives. Abell (2014) articulates that two of these tactics involve transforming or replicating particular industries or sectors via worker cooperative development. With the transformation tactic, a “model worker cooperative” is formed in a typically low-paying industry such as house cleaning or home care services, which hopefully inspires other companies in the industry to match its “high road” policies and benefits. This strategy attempts to work towards guaranteeing better working conditions for all (Abell 2014 p. 17). Examples of such an approach include the effect that the Cooperative Home Care Associates (CHCA) has had on inspiring better working conditions for home workers, and new worker cooperative development in general in New York City, as will be explored in the discussion about New York City in the Chapter 4 (Findings) of this thesis.⁶

The Association of Arizmendi Cooperatives in the San Francisco Bay Area of California is an example of the single-sector approach. Comprised of six worker-owned bakeries and one

⁶ CHCA is currently the country’s largest worker cooperative, with 2,300 members. CHCA’s worker-owners are primarily low-income women of color from the South Bronx.

cooperative support organization, Arizmendi has created a “franchise-like” approach to cooperative development, supporting the development of new worker cooperative bakeries over the course of several years. The idea is to eventually saturate a single market with businesses offer similar products, higher wages than competing conventional businesses, and opportunities for worker-ownership (Abell 2014, p. 18).

Cooperative academies and training organizations have also led to some success in creating new cooperatives. However, Abell (2014) expresses doubt at their long term ability to create massive amounts of worker-owned and worker-managed companies. She writes, “although a number of small worker co-ops have emerged from these academies, the educational program itself is generally insufficient to spur businesses to launch” (p. 19). In this light, some cooperative development organizations, such as the Philadelphia Association for Cooperative Enterprise (PACE), founded in 1976, focused on “intensive worker education,” including training in democratic decision-making, as a key pre-requisite to starting successful worker cooperatives or worker-owned businesses (p. 288). However, as Jackall and Levin (1984) note, the significant amount of training needed to successfully operate a worker cooperative beyond its first years may be too much to overcome without more basic public school education and general awareness about cooperatives. They also express the need for more cooperative-friendly legal statues and financing partners.

Relatedly, some advocates have pursued worker cooperative development at a localized scale, or what Abell (2014) calls “place-based clustering” (p. 18). Notable in cities such as Cleveland, OH and Jackson, MS, this tactic involves supporting the creation of many worker cooperatives at once, usually in different industries. In Cleveland, the Evergreen Cooperative Initiative, established in 2009 by the Cleveland Foundation, the Democracy Collaborative, and

other partners, has developed three worker cooperatives (a solar panel installation cooperative, a cleaning and laundry business, and a commercial greenhouse). Their goal is to employ “hard-to-employ populations in low-income areas, such as ex-offenders, enabling them to obtain gainful and meaningful employment” (Abell 2014; Morningside Research, 2016, p. 9). Key to the initiative’s structure is a close working relationship with local “anchor institutions” such as local universities and hospitals, who act as guaranteed purchasers of the cooperatives’ goods and services. Indeed, advocates express that the Evergreen Cooperative Initiative, now known elsewhere as “the Cleveland model” (Dubb 2016, p. 150), is a means to a greater end, and is “more than a business development strategy.” They note: “Our goal is to stabilize a seriously disinvested and distressed set of neighborhoods in Cleveland’s core inner city and transform them into extraordinary places to live and work” (Abell 2014, p. 19). Similarly, since 2014 Cooperation Jackson in Jackson, MI, inspired by the late Mayor Chokwe Lumumba, who was elected on a platform of cooperativism and African-American economic sovereignty, has been working to develop worker cooperatives for purposes of “community wealth building” (The Democracy Collaborative, 2015). Seeking partnerships with anchor institutions, Cooperation Jackson hopes to utilize the economic power of Jackson’s largest employers - “large, place-based nonprofit and public institutions that are unlikely to move location because of their mission, invested capital and customer relationships” - to fill unmet market opportunities, and create jobs for African Americans in particularly low income areas of the city (The Democracy Collaborative, 2014, p. 1).

These kinds of initiatives, also at work on smaller scales in other places such New York and North Carolina, represent a turn in cooperative development activism towards working directly with city-scale government and institutional partners, across industries, and over long

periods of time, to not only develop worker cooperatives but to use them as vehicles for larger systemic change. Indeed, “advocacy for cooperatives may have the greatest momentum...at the state and local levels” (Abell 2014, p. 39), and exploring cities’ current motivations in supporting worker cooperatives is the focus of this thesis. However, it should be noted that cooperative development has also been supported by many state governments over the years. Cooperatives have also enjoyed support across the political spectrum, partially due to their historical presence in many states, both those governed overwhelmingly by Republicans and by Democrats (Schneider 2018). In the 1980s, the Commonwealth of Massachusetts became the first state to pass a specific law governing worker cooperative incorporation, inspiring six other states to follow suit. Still, most states still do not have specific worker cooperative legislation and many worker cooperatives are forced to incorporate under consumer cooperative law, which can be a cumbersome and confusing process (Abell 2014).

Bills have also been introduced in the past at the federal level to support cooperatives. These have included proposals to make it easier to finance worker cooperatives, and aid in the development of matching funds for anchor institution-linked cooperative strategies, although those did not pass. A very notable and most recent exception was the passage of the Main Street Employee Ownership Act, passed in August 2018, which “empowers” the Small Business Administration’s offices “to assist small business owners in converting their companies to employee ownership through outreach and training programs,” and makes it significantly easier for employee-owned businesses to access SBA funding (Dubb 2018, n.p.). So, while there has been and continues to be collaboration between worker cooperatives, cooperative development organizations and various levels of government in the United States, here unlike in other countries (as will be elaborated in the next section) “the worker cooperative movement...does

not yet have an overarching political strategy or political agenda” (Abell 2014 p. 39). This may bear heavily on the coherence of discourse about worker cooperatives, or lack thereof, in American cities today.

2.2.5 Movements in Other Countries

While worker cooperatives have been a small part of the cooperative movement and the overall economy in the United States, worker cooperatives have grown significantly in other regions and countries, such as Western Europe, Canada, South America, and parts of Asia and Africa like Japan and Kenya (Simon 2001; Schneider 2018). Many advocates and researchers argue that government support (such as technical assistance and supportive financing) has had a crucial role in the growth and success of cooperative sectors in other countries (Adeler 2014; Staber 1993; Abell 2014).

Famous examples include cooperative development in Spain, France, Argentina, Quebec, and Kenya, where governments have promoted the cooperative model, mandated their creation in certain industries, or formed technical support infrastructure to promote their development in multiple industries and at multiple scales (Adeler 2014; Schneider 2018). Perhaps the most famous example are the Mondragón cooperatives in Spain. Support from the Spanish and regional Basque governments has allowed the Mondragon network of cooperatives to “flourish” for the past forty years, becoming one of the densest concentrations of worker cooperatives in the world (Simon 2001, p. 132; Abell 2014). Mondragón is now a conglomerate of 289 companies, concentrated in four main business lines of finance, manufacturing, retail, and knowledge (research and development), and includes 110 worker cooperatives, employing more than 80,000 workers as of 2014. Cooperative advocates often point to the support that governments provide

in other countries as reason for the success of cooperatives there, especially when cooperatives need to compete in market-based economies.

Many advocates see government support as crucial for cooperative development to take off in the United States. In the next and final part of this conceptual context, I examine five frames for understanding how municipal governments in the United States support economic development, and how each of these relates to worker cooperatives specifically.

2.3 FIVE FRAMES

2.3.1 Introduction

As I elaborate in the next Chapter, my hypothesis is that the recent promotion and support of worker cooperatives by municipal governments indicates an evolution of economic development discourse and practice. My investigation identifies the major themes and ideas present in discourse about worker cooperatives within the context of municipal government initiatives. Here, I present five “frames” or systems of thought that represent viewpoints regarding how to practice economic development at the local scale. I use “frame” in a way analogous to Dryzek’s (2017) notion of “discourse,” or “a shared way of apprehending the world” (p. 8). Such a “frame,” as I call it, is a way people collectively organize and interpret “bits of information” to “put them together into coherent stories or accounts.” Each frame “rests on assumptions, judgements, and contentions that provide the basic terms for analysis, debates, agreements, and disagreements” (p. 8). The frames I describe in this section reveal distinct sets of vocabulary, concepts, and metaphors, which people use to describe not only economic development practices, but also how they believe society operates.

The frames I describe below, *traditional economic development*, *community economic development*, *social and solidarity economy*, *sustainable (economic) development*, and *resilience*, are extensions of the historical “phases” of local economic development practice as described by Fitzgerald and Leigh (2002). They represent historical trajectories as well as continuously evolving paradigms.

Similar to Dryzek’s method (2017), I identify each frame by asking each a consistent set of questions.

1. How does this frame define:
 - The scale and purpose of municipal economic development?
 - Which mechanisms city governments should use?
 - The measures of success?
2. What are criticisms of this framing of economic development?
3. How are worker cooperatives related to economic development, if at all?
4. What are alternative and related economic development frames?

Asking these questions help me understand the underlying assumptions and motivations people have when using each frame. Each answer provides context for understanding the themes I discover in the discussion about each initiative in the case study cities.

Each frame offers practitioners a different way of conceptualizing how a city can and should develop its economy, and each has a different relationship to sustainability discourse. I begin with a discussion of “*traditional*” *economic development* and “*community*” *economic development* practices, which represent two of the more established and widely adopted frames. They both have origins pre-dating widespread discussions of “sustainability.” I will discuss how

these two practices might be changing in light of a more prevalent and widespread adoption of sustainability in planning practice. The next approach I discuss, the “*social and solidarity economy*” (in the U.S. context largely borrowed from theorists and movements in other countries), is explicitly focused on social values, yet also broadly resonant of what some call “social sustainability.” The fourth frame is “*sustainable*” *economic development*, perhaps the most widely known, even hegemonic version of sustainability in public discourse today, often plainly referred to as “sustainability.” People using this approach believe more ecologically sustainable cities can be created by reforming current economic and social systems. Detractors complain that as a framework it offers few tools to address socio-economic inequities, and therefore is not truly “sustainable.” The final frame, *resilience*, borrows largely from ecological theory. Proponents of this frame argue that only by acknowledging and accepting the complexity of socio-ecological-economic systems, will humanity be able to continue to develop cities in a way that ensures both our own survival and that of the larger planetary ecosystem. Each frame offers a different reaction to the challenges presented by accepting that we live in an unsustainable society (a basic definition of sustainability (Moore 2007)); and how we should potentially adapt our economic development practices at a city level based on this belief.

Thus, while many advocates and academics may see worker cooperatives as inherently sustainable (see previous section of this chapter), each frame offers a different purpose and place for worker cooperatives. But as Abell (2014) notes, “the worker cooperative movement...does not yet have an overarching political strategy or political agenda” (p. 39), and there is no single framework that is solely built upon the creation of worker cooperatives. Perhaps this is because “while worker cooperatives offer solutions to some of the economic and social issues that bedevil our society, they also represent a challenge to some of its basic premises” (Jackall and

Levin 1984 p. 289), representing a set of paradoxes that may not fit well with any of our current economic development approaches. Cooperative development has been promoted by actors with a variety of political, economic, and even religious backgrounds, as discussed in the previous section of this chapter, and the initiatives I explore in this thesis are likely not an exception to this pattern.

Finally, though the frames are presented as discrete, it's important to note that they are not used in a mutually exclusive way in practice or even in theory. I agree with Dryzek (2017) that contrary to a strict Foucauldian reading of discourse or framing (wherein discourses are hegemonic and we are “stuck” with them) people are able to see the arguments and merits of other ways of understanding and telling stories about the world, even if they are reluctant to agree with them (to say the least). In other words, “discourses are powerful, but they are not impenetrable” (Dryzek 2017 p. 20). While these frames are generally competing, and oftentimes adherents will ignore each other's arguments rather than engage with them, many aspects of the frames are also complementary. There is room for interchange at the edges of each, where intentions and vocabulary overlap, and I readily employ this assumption in my analysis in the next section and in Chapter 5.

2.3.2 Frame one: Traditional economic development

Municipal governments in the United States have long attempted to stimulate local and regional economic activity through business attraction strategies and incentives, a practice that is now commonly referred to as “traditional” or “conventional” economic development. Fitzgerald and Leigh (2002) call these practices “state industrial recruitment,” the first phase of local and state economic development history, beginning following the Industrial Revolution and

becoming more widely used beginning around the time of the Great Depression in the 1930s (Anglin 2011). Logan and Molotch (1987) point out that these strategies have in fact been the foundation of the growth of towns and cities across the United States during its entire industrialized history, when entrepreneurs would essentially incorporate village and city governments for the purpose of attracting a university, a federal agency, or a canal or railroad route. After the macroeconomic crisis of the 1970s, this approach to economic development became even more prevalent (and more criticized), as many cities “suffered from a slowdown of national growth through the collapse of their basic economic sectors” and banks, investors, and developers could move capital around much more easily (Geffe 2007, p. 92). In response, cities became even more economically territorial, fiercely competing to attract firms and their associated jobs in order to stabilize or grow local economies and the city’s tax bases.

Scale & Purpose

Informed by neoclassical theories of industrial growth and corporate behavior (see McDonald 1997), city governments using this approach assume that “a community’s economic development potential [is] merely a function of what it imports and exports,” and that the city’s role should be to “grease the skids” for companies by creating an operating environment where firms have the maximum potential to be profitable (Fitzgerald and Leigh 2002, p. 11). The stated goal may be to create employment stability and a stable tax base for the town, city, or region. This leads cities to employ the kinds of support systems for businesses to easily move in and quickly being to operate, using mechanisms like infrastructure development and favorable zoning practices.

Mechanisms and Measures

In practice, cities build “hard” infrastructure, hoping to incentivize companies and entire industries to move their operations to a particular location or sometimes (but rarely) to keep them where they already operate. This strategy is explicitly focused on competing with other cities for businesses and employers from outside a given region or jurisdiction, in contrast with focusing on the internal economic development of a particular place or its workforce on its own. Worker cooperatives are extremely unlikely to figure into these types of practices, not least because they can rarely, if ever, be moved from one place to another. Instead important mechanisms include industrial parks and land assemblies (Grefe 2007), and “relatively crude measures” such as tax abatements, grants, and other subsidies, as well as “business-friendly” labor legislation, low minimum wages, and low public indebtedness (low taxes) (Fitzgerald and Leigh 2002, p. 14; Logan and Molotch 1987; Oden and Mueller 1999). Much of the focus of this kind of economic development is on downtown areas or suburban industrial or office parks, or in particular districts where elected politicians wish to focus their energies for electoral clout (Simon 2001 p. 16; Dewar 1998). Success is therefore measured abstractly in the form of winning elections, attracting big-name (memorable) employers, and relative rather than absolute levels of taxation and subsidies.

Success for practitioners using this frame is mostly measured in quantitative assertions of jobs created or taxes collected, or vague, short-term outcomes such as cursory cost-benefit analyses that are written to benefit the “*current* private developer” [sic] (Fitzgerald and Leigh 2002, p. 12; Oden and Mueller 1999). Since these practices developed before economic development was an academic field of study, well-defined measures to determine if the mechanisms used in this approach are effective, in the rare cases when implementation assessment is even carried out at all, are often lacking from planning or policy assessment

(Fitzgerald and Leigh 2002). Scholars such as Dewar (1998) and Oden and Mueller (1999) point out that in many cases, the policies of “traditional” economic development are applied as a political or ideological tool, not a scientific one, as politicians use large projects such as sports stadiums or factory openings to promote their own agenda, legacy, and network.

Far from being merely historic, these practices are still in used in many cities and towns across North America, and represent the “heart” of economic development practice, despite the development of alternative theories and practices (Anglin 2011; Mueller and Oden 1999). Dubb (2016) notes that it’s the “dominant strategy of economic development today...with annual state and local tax abatements of this kind now totaling more than \$80 billion nationally” (p. 142). Zhang et al. (2017), in their national survey of municipal economic development practices, found that 85% of municipalities use infrastructure improvements and promotional and advertising activities, 70% focus on business cost reductions through grants, and 60% use some kind of tax abatement strategy to attract businesses. A contemporary example of this kind of economic development is the ongoing competition between North American cities to be the home of the new Amazon “Second Headquarters” or HQ2 (Bhattarai 2017), reminiscent of the rivalries between towns competing to be railroad hubs in the late nineteenth century (Logan and Molotch 1987). In this instance, the giant online corporation pitted city governments against each other in order to see who would offer the most tax breaks or other incentives, even though the company’s final choice was probably based solely on other factors, as “study after study shows that fiscal incentives are [only] a small part of the decision making in plan or office relocation” (Anglin 2011, p. xx). While commonplace, such vague and unmeasured practices of traditional economic development are not without criticism.

Criticism

Critics have argued for many years that such attraction tactics represent “top-down” approaches that usually have little to no measurable positive outcomes, do little to address the needs of low-income or marginalized communities, and even reinforce social and environmental inequalities. With this frame, the city is conceptualized by wealthy, land-holding local elites and their political allies as a “growth machine” that must be fueled at all costs, or else risk its own economic and existential peril. Leveraging their property for political gain, landholders and business owners influence the government to create “public private partnerships,” the public benefits of which are largely overstated (Logan and Molotch 1987; Mueller and Oden 1999). Fitzgerald and Leigh (2002) conclude that this is a key component of “corporate welfare” practices, where the city acts in the “interests of the business sector, often to the point that these actions become impossible to justify given their limited impact on job creation or increasing the tax base” (p. 12). In theory and in rhetoric, such corporate attraction strategies may be justified in the name of bringing in companies and “creating” jobs, but the employees filling the “new” positions may end up coming from elsewhere as well, in a national and sometimes economic shuffle that merely transfers jobs from one location to another (Fitzgerald and Leigh 2002; Logan and Molotch 1987; Oden and Mueller 1999).

Oden and Mueller (1999) note that it is possible for tax incentive-based strategies to result in net positive outcomes for communities, but only if the incentives are part of a coherent, comprehensive overall economic development strategy that takes into account the overall strengths and weaknesses of the local economy, and ensures that the government’s offer is meeting a market failure. In other words, if an economic development strategy is context-dependent, not purely ideological, it has a much higher chance of successfully addressing a municipalities’ economic needs and achieving the strategy’s stated goals. While only a very few

projects would meet the criteria they outline, Oden and Mueller (1999) claim that projects developed under the business incentive framework could have high net positive benefits for communities if they are “aimed at providing low-income residents with higher wages than they currently earn or have earned in the past,” and provide the same communities with the right kinds of training and support so that they may have a chance at occupying the new positions created by the project (p. 163). Too often, however, “social goals incompatible with competitive success” in the eyes of city officials are written off as “unrealistic and self-defeating” (Simon 2001, p. 11). If such strategies for economic growth are pursued at the expense of any other goals or considerations, there can be “negative consequences for the physical environment,” such as environmental degradation and pollution of air and water through increased industrialization, as well as associated decreases in biodiversity. This may affect the poor and marginalized more than the rich as they are more likely to live in neighborhoods where such activity may be occurring (Logan and Molotch 1987, p. 96). These effects may also be exacerbated when increased industrialization (attraction of a manufacturing business, for example) is not attached to increased tax revenues to accommodate increased use of water and road infrastructure, or basic local services such as schools (Oden and Mueller 1999). Over the years, more vocal criticism and growing awareness of these shortcomings of traditional economic development practices has led to the creation of alternative practices.

Responses and Alternatives

In response to a variety of perceived failures of traditional economic development initiatives, residents, activists, politicians, and academics have developed alternative municipal economic development approaches. While the business attraction approach assumes that the only role of government intervention in municipal economic development is to get out of the way of

businesses and profit-making, others suggest a more active, regulatory, and direct role for city governments. While cities are using new approaches, traditional economic development is still a commonplace frame for decision-making, and remains in the background even during discussions of institutions like worker cooperatives. City governments and politicians often pursue or advocate for different approaches in the name of environmental protection, or explicitly to benefit less privileged people who who usually gain little, or suffer greatly, under traditional approaches. The following frames referenced in this literature review constitute the four main responses to emerge in reaction to traditional economic development. I begin with *community economic development*, a set of ideas that challenges core components of traditional economic development, especially outward-looking attraction strategies and inattention to marginalized populations.

2.3.3 Frame two: Community economic development movement

Context

The idea of community economic development partially evolved out of criticisms to business attraction strategies, and partially out of social movements such as the civil rights movement and feminism (Simon 2001; Shragge 1997). It was inspired by a reaction to what Logan and Molotch (1987) would later describe as the “municipal growth machine” (Fitzgerald and Leigh 2002), and in concert with the rise of “advocacy planning” espoused by Davidoff (1965), which prioritized proactive use of city planning and economic development policies for and by marginalized and underserved groups. In the 1960s and 70s, community activists began to push back against how they saw that “economic development planning...was justified in the name of job creation but practiced in the interests of wealth creation for [the] elites” and consequentially was doing little to address problems such as urban economic decline, and the

exodus of manufacturing from urban areas (Fitzgerald and Leigh 2002, p. 12). Activists and policymakers began criticizing previous municipal economic development efforts (often funded with federal dollars), such as the urban renewal (Redevelopment) programs authorized by the National Housing Act of 1949. Urban Redevelopment had resulted in the displacement of “low-income, minority people by destroying rental housing or commercial buildings” (in so-called “blighted neighborhoods”) and “replacing them with upper-income housing or business facilities serving the affluent” (Simon 2001, p. 9). Realizing that “the return in economic growth to public Redevelopment investments” were “small or negative and...the distributive effects of the program [were] regressive” (p. 9), community groups formed and demanded more frequent and more disciplined economic development planning and services from both federal and city governments. This catalyzed the creation of new institutions and bureaucratic processes to achieve their community development visions, and a set of practices called community economic development.

Scale & Purpose

Scholars acknowledge that there are several “competing theories” of community economic development, an economic development paradigm which can encompass a “range of activities, institutions, and policies” (Anglin 2011; Simon 2001). Generally speaking, community economic development (CED) approaches seek to revitalize or enhance particular neighborhoods or places. The goal is to improve economic and social opportunities for low-income and marginalized people within a neighborhood or other city subdistrict, often through the development of natural, physical, social, and economic capital. The scale CED focuses on contrasts with that of more “traditional” strategies discussed in the previous section, as those are often employed in the name of city-wide or even regional economic stimulation. As the term

implies, CED is primarily concerned with establishing and maintaining groups of people who constitute a “community,” strengthening their bonds to each other and to their location. Community in CED is often defined in terms of not only residence and geographical proximity, but “shared social or economic characteristics” such as income level, race or ethnicity, or concern for a particular social goal like access to education or better employment (Simon 2001, p. 33). In general, CED practices represent “an important institutional innovation in which government has partnered with the private and nonprofit sectors to develop policy networks and strategies” (Anglin 2011, p. 18) that create links between people through “face-to-face encounters” which “link economic development to residence” in order to help foster a “sense of place” within a given geography and physical community (Simon 2001).

Mechanisms and Measures

In the early days of CED, various institutions arose where before there were none, or formed from ongoing community advocacy projects, such as federally-funded Community Development Block Grants (CDBGs) which began in 1974. CDBGs represented a shift from top-down earmarking and management of project funding to a more decentralized approach that allowed local governments, with community input, to decide how to allocate federal funding for local economic development purposes. These funds are still used to build and rehabilitate housing, clean up brown-fields or other environmentally damaged sites, strengthen or develop key economic industries, and for job placement services and skills training. Projects funded by CDBGs are required to have a “public participation plan” including adequate publicity of the grants, public hearings, and “technical assistance to groups interested in applying for grants” (Simon 2001, p. 16), marking a definitive shift from the ad-hoc, back-room dealings often used in business attraction strategies. Community Development Corporations and similarly-structured

community-based development organizations arose to take advantage of these funds and focus development efforts on specific communities. Community Development Financial Institutions, Community Development Loan Funds, and other “CED intermediaries” such as NeighborWorks, Enterprise Partners, and the Local Initiatives Support Corporation, emerged to support them through capacity building (organizational, technical, and creating access to capital) (Anglin 2011, p. 2). Beyond these federally funded mechanisms, which impact development at the municipal and neighborhood scale, more specific municipal strategies depend on the type of CED each city or community pursues.

Shragge (1997) argues that CED either has an emphasis on outcomes, or an emphasis on process, and that this difference constitutes the point of departure for two competing theories of CED, as well as the use of different mechanisms and institutions. On the one hand, CED can mean efforts to improve the quality of life in low-income and moderate-income communities by developing infrastructure such as “housing, jobs, or business opportunities” that would otherwise be unavailable or impossible due to market and non-market failures (Krishna 2013; Anglin 2011, p. 3). These CED strategies are often designed to help “lift” individuals and families out of poverty by raising standards of living, especially via improved housing conditions and increased wages (Fitzgerald and Leigh 2002). Shragge (1997) refers to this kind of CED as “liberal,” as it’s an approach used by those who want “to improve local conditions, but without challenging the underlying power relations or the unequal distribution of resources” (p. 11). When this frame is coupled with a market-based approach, the role of public institutions is to “facilitate coordinating among private investments and public investments” and community developers strive to ensure that already existing residents receive positive benefits from municipal economic development (Simon 2001, p. 48). Such mechanisms arguably constitute a “top-down” approach that focuses

on relieving the symptoms of economic inequality and improving material outcomes for low-income and otherwise marginalized people, without necessarily addressing the systemic causes of spatialized inequality within a city.

In contrast, some theorists and practitioners believe that CED can also be a “process” that helps to “reduce inequality” in general, not just in specific projects (Fitzgerald and Leigh 2002, p. 31). This can happen when “residents engage in mobilizing and building assets that will improve their individual and collective future” by “changing structures and institutions that impede economic, social, or political equity” (Anglin 2011, p. 1). Shragge (1997) calls this a “progressive” version of CED because it’s a strategy that “enables communities to address issues of poverty and inequality” (p. 11). In this sense, CED encompasses “grassroots organizing, community accountability, leadership development, and creative problem solving” (Krishna 2013, p. 69). Faith-based organizations, for example, often approach CED with this vision when doing community organizing, as it encourages discipline and trust with the goal of creating a more connected and self-empowered community (Simon 2001). A process-oriented CED practice may produce less quantifiable outcomes, and if successful, may upset a city’s social and economic status quo. Many criticisms of CED center on perceptions of CED practices that do not address root causes of inequality.

Criticisms

As Shragge (1997) argues, two main types of CED exist, one process-oriented and one more outcome-oriented. Most of the major criticisms of CED are actually criticisms of outcome-oriented, “liberal” CED practices, made by scholars who call instead for process-oriented, “radical” approaches to community development. I outline four major critiques of the ineffectiveness of CED below: 1) CED is unsuccessful because it’s merely the old strategies with

new names, 2) CED operates at too isolated and localized a scale to effect true change, 3) CED is too top-down and bureaucratic, and 4) CED is too market-oriented to address root causes.

Fitzgerald and Leigh (2002) argue that CED is ineffective when it ends up merely applying new names to the same strategies as traditional methods of economic development: “job development (over real estate development), neighborhood development (over downtown development), business retention and expansion (over business attraction)” (p. 17). Too often, such attempts at CED are employed in the name of economic “growth” (“more development, more jobs, more taxes, and so on”) not “economic development,” which Fitzgerald and Leigh (2002) describe as “raising standards of living and improving the quality of life through a process that specifically lessens inequalities in metropolitan development and the metropolitan population's standard of living” (p. 27). For Haynes and Gordon Nembhard (1999), when this happens (all too often, in their opinion) CED ultimately does little to address the fundamental economic issues that cause economic and social inequality.

Haynes and Gordon Nembhard (1999) and Shragge (1997) believe CED is also limited by its scale, which is too localized. Shragge (1997) writes:

new forms of economic activity and institutions created in the community will never be adequate, within an economy dominated by private enterprise, to generate enough jobs and wealth at a local level to compensate for the consequences of economic centralization outside of the community (p. 9).

While some progress may be made at a local level, “it cannot end there” (Shragge 1997, p. 13), otherwise the larger economic and social structures will ensure that people are still experiencing economic inequality. Because CED focuses on small-scale “development-in-place strategies,” critics argue it is “rooted in a separate but equal philosophy: ‘quarantine “them” in inner city ghettos and barrios away from “us” and help “them” build from within” (Rusk 1993, p. 121 in Fitzgerald and Leigh 2002, p. 23). In this regard disinvested inner cities, poor suburbs,

and other distressed neighborhoods continue to be regarded as “throw-away” places that have little inherent value (Haynes and Gordon Nembhard 1999, p. 51). “Several critics point out that ‘in-place’ strategies have never been able to ameliorate concentrated poverty” due to these attitudes and scalar limitations (Fitzgerald and Leigh 2002, p. 25). Initiatives to fight this outcome of CED are limited by “political, social, and racial motivations” that mean policymakers and elected officials often fail to make economic and planning connections between inner city neighborhoods and outer suburbs, partially due to a disconnect between CED institutions and the communities they are supposed to serve.

For critics like Shragge (1997), CED institutions can also be ineffective due to the inherent tensions stemming from their political roles. He argues that many CED institutions are funded at least partially by the State (some form of government authority, whether a municipality or something larger), and they are also responsible towards a community that needs the services they provide. This can create an irreconcilable set of priorities, especially if CED institutions have been co-opted by a government entity that prioritizes the continued dominance of White capitalist classes and private property over all other interests (Shragge 1997). In such a situation, the efforts of CED institutions to create lasting social change can be severely undermined or even foreclosed. Haynes and Gordon Nembhard (1999), Pope (1992) and other scholars agree, arguing that much of the time, the tools of CED are ineffective because they often lack critical community oversight, involvement, or ownership.

For community economic development approaches to be successful, scholars and critics like Shragge (1997) and Haynes and Gordon Nembhard (1999) argue that they must actively foster the creation of institutions that are financially and politically independent from government authorities so that they can be in a position to challenge them when necessary. CED

institutions should preferably be rooted in and supported by the communities they serve, as well as owned and democratically managed by the public or subsections of the public. Pope (1992), Jennings (1992) and Hogan (1992) argue that so much of CED practice involves outsiders coming in to Black, brown and low-income communities, and dictating the terms of economic development without understanding or responding to the particular needs of that place. Community oversight and control is seen as crucial to achieving more effective CED practices, especially if the outcomes are “progressive” (Shragge 1997) in the sense of enabling communities to address larger structural issues that are creating economic conditions in the first place.

Such tensions between government entities and community groups are exemplified by the dynamics at play in community economic development institutions such as welfare assistance, public housing, and job training programs up until the passage of the Workforce Investment Act (WIA) in 1998. These government programs, while focused on “those groups most in need, including low-income communities, youth, ex-offenders, and dislocated workers” (Anglin 2011, p. 155), were seen as intrusive, overbearing, and oppressive to their clients, who were often actively socially excluded in other ways, including being over-policed (Pope in Jennings 1992). Pope (1992) explains that such bureaucratization of public assistance turns poor people into “mere recipients” rather than “empowering” them to be “citizens or clients.” Furthermore, Pope (1992) argues, “agencies administering public assistance in African-American communities do not seek to educate African-American people, or to raise their cultural and social consciousness” (p. 143). Thus, such mechanisms fail to create conditions for a community to develop itself economically. Critiquing government-run job training programs specifically, she argues that they exist solely to create “cheap labor” for outside businesses to exploit and exhaust (p. 144); though

they may create jobs, they are often poorly paying and do little to address people's material conditions. Even when an individual is able to improve their situation through steady employment or public assistance, there is little social or economic incentive for them to stay in the community: "doing well is moving out" (Haynes and Gordon Nembhard 1999, p. 51). Such top-down, bureaucratic, and oppressive techniques arguably did little to address the goals that inspired the creation of CED in the first place, doing little to develop a community's social capital or enhance its collective well-being. While some critics blamed too much government oversight for this outcome (especially in the 1990s), changes since 1998 have yielded no fewer criticisms about CED's effectiveness.

While community economic development institutions have changed dramatically since the passage of the WIA in 1998, critics argue that CED's main focus is still too outcome-oriented, centered on creating jobs through entrepreneurship and other capitalist institutions. As the national political and economic policy shifted in the late 1980s and 1990s towards favoring decentralization and privatization of public services, focus shifted towards "market-based" and "entrepreneurial" solutions, especially in inner areas of de-industrializing cities (Fitzgerald and Leigh 2002). The adoption of the Workforce Investment Act (WIA) in 1998 changed workforce development from a decentralized system that "prepared workers for employment, connected them to employment opportunities, and ensured their upward movement once employed" (Anglin 2011, p. 155), into a "more streamlined and flexible workforce development system" that consolidated federal job training, adult education, literacy, and vocational rehabilitation into one (Anglin 2011; Simon 2001; Fitzgerald and Leigh 2002, p. 197).

This impacted CED institutions and a provision of one of their key services: employment training and work placement, especially the programs targeted at "those groups most in need,

including low-income communities, youth, ex-offenders, and dislocated workers” (Anglin 2011, p. 155). This meant a shift from workforce development representing a “second chance for the poor or displaced workers” to meaning “achieving the economic development goal of strengthening regional economies” through “full employment” and reduced government-provided social services. For Fitzgerald and Leigh (2002) this also represented a shift from a change from qualitative, socially-motivated goals to those focused on quantitative measures of economic growth (p. 197). Coupled with the changes brought by the WIA was the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which updated the Temporary Assistance to Needy Families (TANF) program, limiting public assistance to low-income families to five years, such program and policy developments meant that people were increasingly forced to find employment of any kind, even if it wasn’t necessarily personally meaningful, high-paying, or long-term work.

Key to this shift was an emphasis on individual ability and accountability, placing the onus on low-income individuals to rise out of poverty through private accumulation and building personal or family wealth. The shift towards developing entrepreneurship amongst individuals in distressed neighborhoods has meant something similar, as “purely entrepreneurial, single-proprietor strategies narrow the focus from the community to individuals, and thus are only able to help a small group, with limited impact on the entire community” (Haynes and Gordon Nembhard 1999, p. 51). New approaches have been tried since the early 2000s which focus more on “job-centered economic development” that “contrast with more traditional approaches of workforce development” ask “what a workforce development system would look like if it were designed to move people out of poverty, as opposed to simply off welfare” (Fitzgerald and Leigh 2002, p. 196). But for Haynes and Nembhard (1999), these kinds of “capitalistic” approaches

have “proven incapable of solving the multidimensional problems within the Black community,” and other strategies are more attractive for doing so, such as community ownership, collective organizing, and cooperative development (p. 13).

Cooperatives and CED

When CED is used in a “liberal” sense that focuses on private investment in the local economy, such as training workers for low-wage jobs or bringing in outside investment to redevelop real estate, the community of people in a place do not necessarily materially or socially benefit in the long term. Contrary to this approach, scholars such as Shragge (1997) and Haynes and Gordon Nembhard (1999) visualize CED as “an effort to subject economic forces to democratic control” (Simon 2001 p. 66), in order to achieve autonomous and thriving communities. Necessary then is “creating organizations to carry out these goals that are representative of and accountable to the local community” (Shragge 1997, p. 11), in the form of collective ownership, particularly as cooperatives, especially worker cooperatives.

Cooperatives have long been theorized and sometimes utilized as tools to achieve many goals of community economic development. As discussed earlier in this chapter, cooperatives can help communities provision goods and services, create needed jobs and employ people with higher wages, and enhance social bonds within a geographic or socially-based community. As Simon (2001) notes, “CED themes have a distinctive affinity with the cooperative form” (p. 130), evidenced by the variety of cooperative types used in CED practice. These range from credit unions (more than 200 of the 6,500 credit unions currently in operation in the U.S. focus explicitly on community economic development), to housing cooperatives (which work to secure affordable housing for low-income communities), to cooperative businesses like food cooperatives and worker cooperatives. Shragge (1997) notes that several alternative institutions

help build communities in a manner consistent with a “progressive” and empowering view of CED, each working on a different facet of collective ownership: “community land trusts (land), worker cooperatives (labour), and community financial institutions (capital)” (p. 14). Simon (2001) finds that the basic principles of cooperatives, such as ownership by the business’s own patrons and procurement of services and goods for an explicit need, is explicitly in line with the CED principles of building interconnected, highly relational communities, often tied very strongly to geographic place. Haynes and Gordon Nembhard (1999) believe that cooperatives represent an alternative to private entrepreneurial development approaches utilized in some strands of CED; they argue that any “transformation of goods and services” is an economic activity and can be done by cooperatives better than private, for-profit firms (p. 61). In their view cooperatives, build and enhance the talent, skills and confidence of people in a community “in an atmosphere of cooperation and support,” thus enhancing social and economic ties (p. 62). Beyond that, cooperatives also “have the potential to engage the energies and little tapped resources of poor and other economically unsuccessful economic agents...into successful economic activities,” helping to address underlying issues such as unemployment due to exclusion from the labour market (p. 62).

However, cooperative businesses and other forms of “collective ownership” represent a challenge to private ownership and “questions profitability as the basic value of underlying investment” (Shragge 1997, p. 10), and therefore economic development strategies that rely on capitalistic models of economic growth. While governments and business interests will support CED projects that “promote small, individually owned-profitable businesses” and training workers for existing labour markets, institutional and political support for cooperative development can be hard to come by, limiting their prevalence as a CED tool (p. 10).

Responses and Alternatives

In response to many of the criticisms of CED policy and practice, as well as a desire to center cooperatives as an institution within economic development, theorists and activists have begun to refer to and promote the notion of a “third sector” of the economy that explicitly prioritizes achieving social goals through economic activity. As will be explored in the following section, the “social economy” along with its more narrowly defined counterpart the “solidarity economy,” represents a shift away from private and government activities to develop communities, and towards a new (or newly defined) understanding, and vision, of social and economic relations.

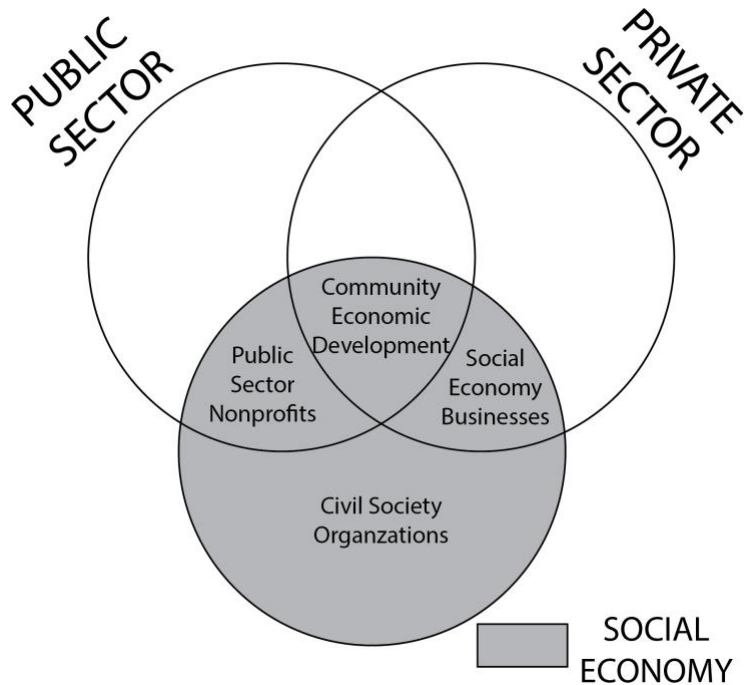
Community economic development practices have also evolved since the advent of sustainability discourses in the mainstream, starting in the 1980s and 1990s. Combined with the ongoing influence of the environmental justice movement, sustainability has challenged communities to address not only economic and social issues, but incorporate ecological imperatives as well, leading to increased calls for “green” or “sustainable” economic development initiatives. I will explore this paradigm, *sustainable economic development*, in the discussion of the fourth frame of economic development theory.

2.3.4 Frame three: Social and solidarity economy

Context

In the past few decades, new social institutions and economic theories have emerged that partially address the criticisms of ineffective CED approaches discussed in the previous section. One such framework involves fostering the so-called “third sector” of the economy, which is also increasingly referred to as the “social economy.”

Figure 3. The public sector, the private sector, and the social economy. Reproduced from Mook et al. (2010).



The beginning of the idea of a “third sector” dates back to the late 1960s and 1970s when theorists began talking about “enterprises and organizations which are not primarily seeking profit, and which are not part of the public sector” (Borgaza and Defourny 2001, p. 3). According to scholars such as Mook et al. (2010), Borgaza and Defourny (2001), and Chaves and Monzón (2012), this “third sector” of the economy is located somewhere between or outside the other two sectors: the public sector (government), and the private sector (for-profit corporations) (Figure 3). These three sectors are also conceptualized as economic categorization according to the “principles and methods by which exchanges are regulated”: 1) the market, 2) public redistribution, and 3) reciprocity. Alternatively, the sectors can be delineated by “types of resources involved”: commercial, non-commercial, and non-monetary (Borgaza and Defourny 2001, p. 4). These variations in definitions of the third sector also affect understandings of the

social economy, which also “suffers from definitional confusion” (Connelly et al. 2011, p. 311). This confusion is partly due to how the “social economy is so much embedded in historical, institutional, and local contexts that it seems to escape generalisation” [sic] (Moulaert and Ailenei 2005, p. 2049).

Regardless of how the “third sector” is specifically defined, for many who research or work within organizations that are outside of the government or for-profit, private business, the term itself has now become nearly synonymous with the idea of the “social economy.” This association is particularly prevalent in Western Europe and Canada, but also more recently (within the past decade) within the United States. Since the 1980s, in France and other French speaking places, the notion of *l'économie sociale* has come into use to describe the whole activity of cooperatives, mutual societies (including but not limited to cooperative banks), non-profit, member-controlled associations, and sometimes foundations and charities. In the United States, where privately-held corporate businesses dominate economic activity, “social economy” tends to refer to what some informally call the “non-profit sector” and some institutions associated with community economic development. What the use of this term implies is a matter of some debate as I will describe in the following sub-section.

Scale and Purpose

The term “social economy” is often used to describe an ongoing social movement, not just a particular set of organizations. This use of “social economy” emerges from the “community response to negative impacts of social and economic restructuring” (Connelly et al. 2011, p. 311) during the late 1980s and 1990s, particularly in Western Europe and Québec. Reactions to deindustrialization, privatization and defunding of public services, and an increased emphasis on private, for-profit investment strategies in community economic development

practice, among other economic changes, led activists to demand “a fundamental challenge to social norms and a vision of an alternative social order” (Mook et al. 2010, p. 4). By 2002, the Social Economy Charter had been developed by the European Standing Conference on Co-operatives, Mutual Societies, Associations and Foundations, known as Social Economy Europe (SEE), and by 1999, groups in Québec had formed *Le Chantier de l'économie sociale*, an umbrella organization for a burgeoning social economy movement. As of yet such government interventions or endorsements of the social economy in the United States do not exist, but there are a myriad of institutions and informally organized groups beginning to use this term as a rallying cry, especially on the political left. Where they do exist, these charters and groups act as unifying and regulating organizations for those participating in the social economy or want to declare themselves a part of it, and they act as representatives for a widespread movement of groups that “has gathered so much strength that they have created a ‘new relationship’ between the economic and social sphere” according to some observers (Mook et al. 2010, p. 6).

The “social economy” is thus a social movement that seeks to develop a values-based economy, where profit is not the foremost concern of economic exchange, and ordinary people can democratically participate in and contribute to their economic conditions (Kawano 2018). Under this definition, the social economy is a movement operating at and implicated in events happening at the macroeconomic, sectoral scale, often in the context of national, regional, and metropolitan economies; it is also concerned with the localized scale, in the form of specific institutions and particular kinds of social and economic relationships. Some definitions of the social economy are only concerned with the institutions and organizations operating at that smaller scale. These are described in the following sub-section, *mechanisms and measures*.

The social economy is also a term sometimes used by academics and occasionally by activists as a way of conceptualizing the economy, rather than as a distinct type of institution, or a cohesive social movement. Partially it's an economic framework that can be used to challenge the idea of *homo economicus*, or idealized, individualistic "economic man," because it examines enterprises which are in fact altruistic, based in reciprocity, and work in the collective interest (Chaves and Monzón 2012). In this case, the definition of "social economy" is not much different than that of the "third sector" discussed at the beginning of this section, and neither is its clarity. While the "social economy" may be an intriguing concept," due to a "market sub-sector" and a "non-market sub-sector" of social economy institutions (Chaves and Monzón 2012), it may be difficult to fully conceptually separate its operations from government and business activities (Mook et al. 2010). In the United States especially, without significant official government support, the social economy may remain "institutionally invisible" (Chaves and Monzón 2012). This means it would remain merely a conceptual framework, not actually a distinct sector of the economy (continuing to be integrated into multiple areas) (Chaves and Monzón 2012).

Mechanisms and Measures

The term "social economy" refers to particular kinds of organizations, that either might be a part of a larger social movement, or in the United States (where the movement is nascent or non-existent) might act alone but employ a values-based business structure. In a broad sense encompass social economy organizations include primarily socially-oriented organizations operate, including many core institutions of community economic development (such as non-profits, philanthropic foundations, and community organizations), social economy businesses (B

corporations and “social enterprises,” particularly in the United States), public sector nonprofits, and cooperatives.

More specifically, scholars and activists believe that social economy organizations must conduct for-profit or non-profit economic activity with an explicitly social purpose, and almost always adhere to democratic organizing principles and collective or community ownership (Mook et al 2010). This means that the members of social economy organizations are extremely important: they govern the enterprises (each member having one vote), *and* they are the direct beneficiaries of the goods and services it produces, as well as any profits or surpluses. The social economy also includes enterprises that “produce non-market services for households, and whose surpluses, if any, cannot be appropriated by the economic agents that create, control, or finance them” (Chaves and Monzón 2012 p. 10), such as organizations based on mutual exchange or bartering.

Social economy organizations include both market producers and non-market producers. Some scholars include social enterprise in the definition of social economy business types, although Mook et al (2010) dispute this categorization. Social enterprises can include business models such as B-corporations (a specific type of limited liability corporation with a social and sustainability focus), ESOPs (Employee Stock Owned Plan companies), or enterprising non-profits without democratic membership. The government of Canada has expressed official recognition for such “market-based strategies that [are] ‘not for profit’ and...designed to enhance ‘social and environmental conditions in our communities across Canada’” (Mook et al. 2010, p. 7). However, many scholars and activists consider democratic management a key criterion for inclusion in the social economy. Such a definition “excludes nonprofit organizations that [only] serve the public, as distinct from membership, as they cannot claim to be a representative form of

democracy” (Mook et al 2010, p. 10). This also excludes social enterprises legally incorporated as corporations, no matter their business mission (Mook et al 2009, p. 10). Generally speaking, for-profit organizations can be considered social economy institutions if they are democratically governed and have a commitment to “collective responsibility” (Kawano 2018, p. 4). Notably, worker cooperatives fall into such a definition and are frequently cited as prime examples of social economic institutions.

Criticisms

While the notion of the term “social economy” is still quite new, it is not without its critics. Although Chaves and Monzón (2012) believe the social economy “shows enormous potential for generative innovative responses to old and new problems and demands, not only economic but also social and political” (p. 22), others disagree with just how far the social economy and related notion of the “third sector” can go. Bourgaza and Defourny (2001) believe the “persistence of structural unemployment in many countries” and the “difficulties of traditional social policies” limit the potential for the social economy to alleviate economic and social problems (p. 12).

Connelley et al. (2011) classify social economy practices as either “weak” or “strong” (Table 3). In “weak” social economy, third sector organizations are “used to fill the gap left by government retrenchment” (cutting back on social programs). Furthermore, social economy institutions in this case do not address “societal transformation,” because they “often work to maintain existence on the margins of the larger capitalist system” (p. 312) without challenging dominant modes of production and consumption. Connelly et al. (2011) categorize the institutions of this model as charity-oriented, redistributive, and grant-based (i.e. not really generating enough of their own capital to survive). For them, the social economy is often

“simply... a new form of entrepreneurial welfare” (p. 309) that does not address the root causes of poverty and inequality. For many scholars such as Connelley et al. (2011), the overt primacy of the “social” in the social economy is also of concern. This is because, while social economy organizations have “provided support to marginalized individuals and communities through such initiatives as job training enterprises and affordable housing,” they rarely involve “environmental considerations” (p. 309). However, they believe that a combination of a “strong” formulation of the social economy with alternatives such as the solidarity economy and sustainable economic development can address environmental and social concerns simultaneously.

Table 3. Comparing the weak and strong social economy.

From Connelley et al (2011). “We refer here to the neoliberal shift away from an equity focus in the provision of government services to a more managerial approach (Polèse 1999) that claims to respond to calls for greater levels of bottom-up participation and control but is more directly motivated by government funding retrenchment. Weak social economy initiatives have emerged to fill the gap left by government retrenchment, while strong social economy initiatives can be characterized as organizing against retrenchment.”

	Weak social economy	Strong social economy
Worldview characteristics	Marginalized orientation Roll-out neoliberalism	Mainstream orientation Roll-back neoliberalism
Role of the economy	Corporate social responsibility Charity, redistribution Gap filling	Core business practice Asset-generating, equality Social and economic transformation
Source of problem and solution	Behavioural [sic] Capacity	Structural Competition

Alternatives and Responses

The preceding criticisms have led to a call for not only a “social economy” but a “solidarity economy.” While many scholars and activists often use these terms interchangeably, for Kawano (2018), “the social economy is far narrower than the solidarity economy” because it doesn’t include public institutions like governments (when they act to support social economy organizations) or informal and non-monetized transactions such as care and volunteer labor. In this understanding, the solidarity economy must “*necessarily* seek systemic transformation” unlike the social economy; it must reach beyond a single sector of the economy to touch every aspect of society (Kawano 2018, p. 17). This is an extension of how Connelley et al. (2012) and others describe a “strong” social economy: one that is “focused on community-based actions that incorporate the principles of equity, redistribution, solidarity, mutuality and meeting social needs

rather than maximizing profit" (p. 312) (Table 3). For authors like Van den Berk-Clark and Pyles (2012), the solidarity economy represents a societal transformation, a "movement from an industrial-growth society to a life-sustaining society that values the sharing of and preservation of resources for future generations" (p. 5), which directly addresses the lack of environmental consciousness in the social economy concept. Indeed, the solidarity economy represents a "strategy for development and change" that "focuses on all aspects of economic life, including production, distribution, and consumption" in a way that "emphasizes environmental sustainability, cooperation, equity, and community well-being over profit" (Van den Berk-Clark and Pyles 2012, p. 6).

Van den Berk-Clark and Pyles (2012) nicely summarize the main themes and differences between the three concepts explored in this section, as seen in Figure 3: the third sector, the social economy, and the solidarity economy. Note their question marks denoting various unresolved questions about the solidarity economy, a still nebulous term.

Figure 4: Dimensions of social economy concepts, an overview. From Van den Berk-Clark and Pyles (2012).

Table 1. Dimensions of social economy concepts: an overview

Concepts and dimensions	Social economy		
	Social economy	Third sector	Solidarity economy
1. Institutional-political dimensions and historical perspectives	<i>19th century:</i> institutionalise better wages, better work conditions, consumer satisfaction <i>1930s:</i> housing and food cooperatives to avoid blunt poverty <i>1970s:</i> sustainable social entrepreneurship <i>post-1980s:</i> worker-oriented co-operatives, LETS	Immediate response to crisis of work and society in the 1980s	... reinforce institutional capital
2. Property and control relations	Regulatory role of state (social justice): not for profit? Members are shareholders	Non-profit? But in EU also co-operatives + mutual organisations	Civil society + public partnerships?
3. Type of 'core' agent	Firms with social objectives or socially inspired work organisations (co-operatives, <i>mutuelles</i>)	Defined at level of sectoral interaction (meso-economic) or associative agents	Bottom-up initiatives
4. Market orientation	Most core agents operate in the market but according to solidarity principles	Partly—quite eclectic definition (see Lévesque <i>et al.</i> , 1999)	Neither market nor state' Lipietz: synergies with n and state sector
5. Model of co-operation—social bond—organisational model	Solidarity practices of guilds, confraternities, co-operative, associative + mutual aid practice	Large component of voluntary work	Hybridisation of market, market and non-monet
Contemporary definition	Historical—eclectically integrating, most dimensions of social economy in previous epochs: social objectives, reciprocity + solidarity, self-management, state-regulated	Social-economy initiatives by agents in civil society Associations	Stressing rediscovery of <i>lien social</i>
Related concepts	Non-lucrative sector	Not-for-profit, independent sector (UK) Non-profit (US)	Voluntary sector

The differences between a “solidarity” or “social” economy approach and the “sustainable economic development” or “green” economy approach represent alternate understandings of the meaning of, and implications of, “sustainability” with regards to economic activity. As many authors note, though sustainability is arguably widely accepted as normatively good, especially in municipal planning settings, it remains a contested term. In other words, sustainability represents multiple potential storylines for the future of human activity, although they all start from the conviction that the way we currently live is “unsustainable.” In the following two sections, I examine two other economic development frameworks that also seek to address both social and environmental concerns: sustainable economic development and

community resilience. While Connelley et al (2011) argue that the mechanisms of the social economy are yet to be fully integrated with those of sustainable economic development, they note that "there exists considerable potential for bridging these two approaches" in the future (p. 309). Two of the most prominent storylines are "sustainable development" and "community resilience," though there are also other, "alternate paths to sustainability"; all have different conceptualizations of the future or nature of economic activity.

2.3.5 Frame four: Sustainable (economic) development

Context

As discussed in the previous section, the social economy is a set of institutions and sometimes the name for an accompanying political movement. Either way, its purpose is to address the failures of traditional economic development and community economic development. While the social economy is, as its name suggests, concerned primarily with social relations, sustainable development is a framework driven by an urge to deal with environmental concerns.

Sustainability, in its most basic sense, is the ability to endure, reproduce, and to be maintained over time (Campbell 2016). Sustainability, then, is arguably not a new idea; "there is nothing especially new about...thinking long term and many generations into the future" and "using caution and care in allocating resources" (Beatley 2012, p. 91). In the past decade of planning and economic development, sustainability has come to be an idea that "permeates planning curricula, scholarly writings, and local plans" (Campbell 2016, p. 395) as well as public policy at the state and federal levels (Agyeman 2003). According to Beatley (2012), it is now "an organizing concept for planning as a profession and process" (p. 121). "In the battle of big public ideas, sustainability has won" (Campbell, 1996, p. 10). Yet while "few would contest that

‘sustainability is desirable’” (Marcuse 1998, p. 104), the fundamental definitions of what “sustainability” is, what constitute its core components, or how to achieve it remain “hotly contested” (Agyeman 2003, p. 35). As Moore (2007) notes, there are multiple, competing “storylines” of sustainability, and multiple ways for cities to achieve sustainable outcomes. Yet one notion of sustainability has come to dominate public discourse, particularly in urban planning and economic development: sustainable development. It is so prevalent it is now nearly synonymous with the notion of “sustainability” writ large, especially in the U.S., although “resilience” offers a competing paradigm.

Scale & Purpose

In economic development, the currently dominant understanding of sustainability comes out of the 1987 United Nations “Brundtland Report” also known as “Our Common Future.” This seminal document articulated the concerns of world leaders as they faced the increasingly dire problems of dwindling and deteriorating natural resources, growing human populations, and global economic shifts. It articulates that, unchecked, negative environmental consequences of economic activity are not only concerning in their own right, but that they threaten economic growth and future prosperity. Defining “sustainable development” as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (“Our Common Future” 1987), much of the report focuses on how natural resources and the physical environment should be protected while also ensuring ongoing economic growth and positive, long-term social outcomes.

“Our Common Future” (1987) promises that “far from requiring the cessation of economic growth,” “sustainable development” will alleviate global inequalities by ensuring “a new era of growth in which developing countries play a large role and reap large benefits” (n.p.).

In order to achieve this, each country is expected to develop its own policies and approach to sustainable development based on local conditions, yet at the same time participate in a globalized movement towards less ecological destruction and waste. This approach is therefore both globalized and internationalist, as well as localized and municipal. Thompson (2016) explains that sustainability at the small-scale means "a municipality's ability to deliver key social services, while also enjoying the kind of economic growth that provides a steady source of employment for its population" (p. 24). Thus, while the sustainable development approach represents, as Beatley (2012) asserts, "a profound ethical reorientation toward the future," (p. 93), it also does not alter previously used methods of measuring or achieving economic goals such as GDP.

Mechanisms & Measures

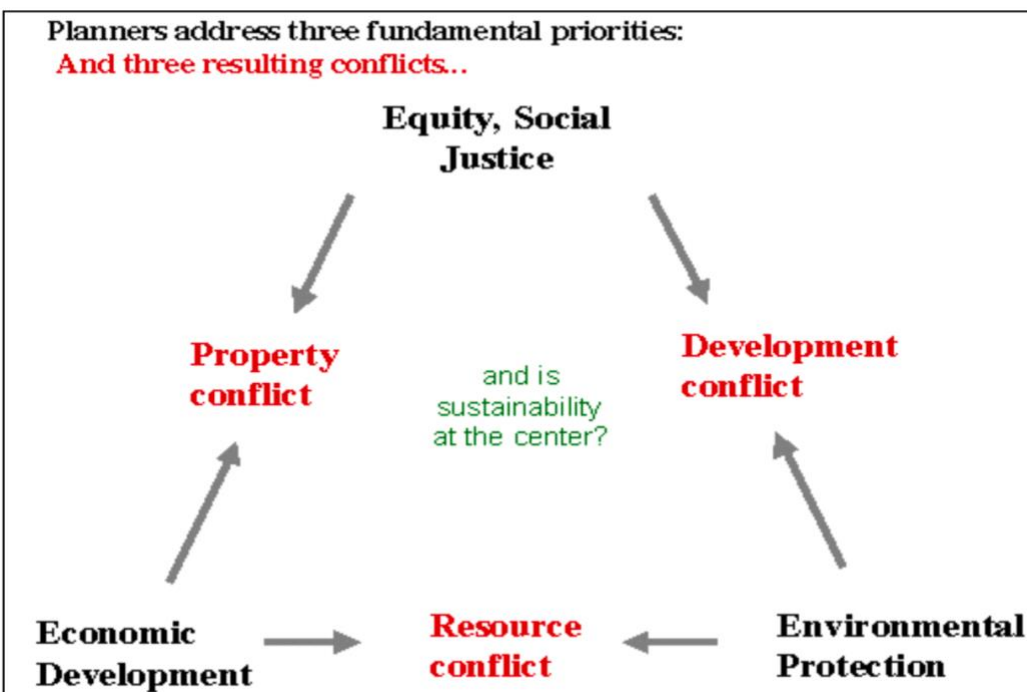
The success of economic activity under the sustainable development framework is primarily measured in quantifiable terms. For example, this could be the increased GDP of developing countries, or lower pollution or poverty levels. Thompson (2016) notes that the assumptions inherent in this paradigm are "inherently tied to an accounting mentality," largely targeted at increasing GDP. The primary debates that sustainable development encourages are "what to count" within a system focused on the overall goal of planetary economic development, "and how to count it" (p. 20).

While sustainability is a concept that incorporates accounting for multiple outcomes, the focus has long been on sustaining economic growth long-term. Wilson (2015) has argued that sustainability has been used in the United States starting as early as the 1930s, when the Federal government was exploring the "triple bottom line" ethos (incorporating various ecological, social, and economic concerns) in housing projects such as Avion Village in Texas. This idea

expands upon the “bottom line” approach of accounting and means that a project is financially as well as socially and ecologically viable. Also during the 1930s Simon Kuznet was developing the notion of Gross Domestic Product, which soon became the standard measure of national economic health. Utilizing this concept, economic planners came to see sustainability in terms of quarter to quarter growth in GDP long before they started to use the word “sustainability” in the sense we use it today (Thompson, 2016). Later, Barnett and Chander’s found in their 1962 book *Scarcity and Growth: The Economics of Natural Resource Availability* that markets could allow for future growth of GDP even as resources dwindled by economizing materials, production, and output. All of these ideas were present in the conversations amongst politicians that took place in 1972 in Stockholm that eventually influenced the now-famous 1983 World Commission on Environment and Development and its associated 1987 report, “Our Common Future” (Thompson 2016). While, as Campbell (1996) and others pointed out, GDP and economic growth is not the only concern in sustainable development, it is (still) perhaps the most significant one.

Campbell’s (1996) “Planner’s Triangle” helped to further distill which categories of activity matter in terms of measuring the success of sustainable development. The Brundtland Report presents sustainability as an achievable, relevantly straightforward idea, but its vocabulary is perhaps sufficiently vague so as to encourage almost universal agreement on basic concepts through “constructive ambiguity,” as Gro Brundtland, the main author, reports (in Campbell 2016). Campbell identified three relatively distinct realms (now often referred to as the “three E’s”) that need to be attended to: “economic development,” “equity, social justice,” and “environmental protection.” At the intersection of these categories are three resulting tensions or conflicts that needed to be resolved in order to (potentially) “achieve” sustainability.

Figure 5: Campbell's "Planner's Triangle" (1996).



The simple structure of the Planner's Triangle "suggests that achieving sustainability requires negotiating a balance between the competing social interests that alternately promote economic development, environmental protection, and social equity" (Moore 2007, p. 17). For Campbell, "the push toward sustainability was thus a demand that society realign its privileged emphasis on sustaining economic growth and give more weight to both environmental protection and social justice" (2016, p. 390). In other words, ecological and "equity, social justice" concerns

should count (perhaps equally as much) in a national and planetary assessments of economic health.

Sustainable development outcomes are measured in terms of how well they address the conflicts Campbell (1996) sees occurring at the intersections of these three goals. Crucially, this means that it is not only the outcomes themselves that can be called sustainable, but the processes that lead towards them. The *property conflict* occurs as a result of the “intrinsically contradictory nature of property” in our society, wherein property is largely privatized, yet reliant on government interventions to ensure beneficial use and positive outcomes (Campbell 1996, p. 5). The challenge of this conflict is to distribute access to property ownership equitably while still respecting property rights. The *development conflict*, the conflict between environmental protection and “equity, social justice” is the “most challenging conundrum of sustainable development,” occurring not only at the global scale but at the regional and local as well. The challenge and root of this conflict is how to increase social equity (defined as a “more equal distribution of resources among social groups across the space of cities and of nations” (p. 13)) and protect the environment at the same time. Combating “environmental racism lies at the heart of this conflict” (p. 7).

Relatedly, Campbell’s triangle highlights the *resource conflict* which occurs when attempting to balance resource extraction and associated environmental depletion with jobs, wealth, and economic activity. He suggests that along many “substantive paths” such as land use planning, and bioregionalism are compromises that could be mechanisms for achieving resolution of these conflicts. Anglin (2011) points out that the recent growth of the “green jobs” sector, enabled by the Green Jobs Act of 2007, provides one such way of achieving economic development. Green jobs could protect the environment while providing employment for people

who may have lost jobs due to the decline of the manufacturing sector in the United States. The goal of this Act is to encourage the development of “blue collar work force opportunities created by firms and organizations whose mission is to improve environmental quality” (p. 158), a concept that incorporates all three priorities of the sustainable development framework.

The main idea behind this conception of sustainability is that society must balance these three interests in order to continue developing, especially if this development means increased individual, national, and global rates of GDP growth. Sustainability in this conceptualization is a kind of end-state or equilibrium achieved by an ongoing resolution of conflicts. Under this paradigm, economic growth can still be achieved, as long as certain sacrifices are made (less environmental disruption, more equitable distribution of resources or products of industrialization). Put another way, larger numbers of people around the world can achieve a first-world, industrialized standard of living, as long as it’s done in a way that uses fewer resources overall and pollutes or damages the planet less.

Criticisms

A major criticism of sustainable development as illustrated by the Planner’s Triangle is that it is too simplistic. As a succinct model, and elaboration, of the key concepts of the sustainability narrative articulated by the Brundtland Report, Campbell’s “Planner’s Triangle” had the effect of concretizing the idea of sustainable development within planning and related fields, allowing it to be more easily understood and applied to a variety of contexts (Moore 2016). Yet Campbell attested in his 2016 update, “The Planner’s Triangle Revisited,” that he didn’t intend for the triangle to represent a “solution” for what he thinks of as the “wicked problem” (Rittel 1973) of sustainable development, but rather for it to reflect planning’s various fields and potential routes with regards to sustainability. He admits that as a diagram, the triangle

offers a sense that the conflicts named can be resolved, because they are named, but cautions that naming conflicts is not the same thing as (re)solving them. When the competing interests at stake could be resolved in a given planning practice, policy, or scenario, this could indicate a sustainable outcome. Although these kinds of resolutions, in large numbers and at many scales, could be seen as a “transformation” from an unsustainable society to a sustainable one, critics like Lanham et al. (2016) see them as mere “compromise” (p. 51) between competing interests, leaving unresolved the underlying value differences.

Another fundamental criticism of sustainable development is that the “social equity” component is underdeveloped. Oden (2016) argues that while “social equity” has long been a part of sustainable development theory, it has rarely been clear what it means in practical terms. “Sustainable development scholarship and practice, at least in the U.S., continues to have difficulties fully integrating a coherent and powerful concept of equity” (p. 30). The major issue, Oden believes, is that “in much of the sustainable development canon, it is not at all clear what we should be concerned with equalizing” (p. 31). Rather than understanding equity as a simple equation of equalizing resources between all people, Oden argues that we should employ “complex equity” as a framework in sustainability. This refers to the idea that equity is not only about material resources but about the “spillover effects” that access to employment, wealth, and environmental quality have in our society: they allow some people access to better education, more political influence (directly and through the power of PACs and Citizens United), and in general more time to engage in voting, volunteering, and donating to political campaigns. In other words, social equity in sustainable development should not only be thought of as lack of poverty; it should also be thought of as lack of participation and political access. Significantly for the context of this thesis, the widening income inequality since the 2007-2008 “Great

Recession” has made “equity... into a more central concern in the sustainability discourse” (p. 30). Criticisms of the promises of sustainable development may be on the rise.

New conceptualizations of sustainable development like “social sustainability” and “just sustainability” seek to directly address what they see as lacking from the normal framing of sustainable development. They posit that sustainability itself may not be inherently just or adequately addressing the underlying causes of social disparities (Agyeman and Evans 2004). Partially these criticisms come out of a parallel movement, environmental justice. In the United States, sustainability and environment justice “have developed in parallel, and although they have touched, there has been insufficient interpenetration of values, framings, ideas, and understandings” (p. 163) until very recently. Calls to action for a more holistic, explicitly “social” sustainability reflect the viewpoint that there is a need for “public policy - environmental or otherwise” to “not disproportionately disadvantage any particular social group” as a “precondition for the move toward just and sustainable societies” (p. 163). In other words, social equity should be the foremost concern of sustainability, not economic growth.

Indeed, for many, social equity is *contingent* upon limiting a drive towards perpetual economic growth. Connelley et al. (2011) argue that sustainable development in practice “tends to focus on weaker approaches” that are “human-centered,” built on assumptions that “environmental (and social) problems will be resolved through technological changes, more economically efficient use of resources, and substituting manufactured capital for depleted natural capital” (p. 311). They call for a “strong” sustainable development practice that is built upon “collective action,” limiting growth, and “social innovation” (p. 311), arguing that such an approach will “allow all citizens to benefit from improvements to quality of life” (p. 311).

Fitzgerald and Leigh (2012) also emphasize the need to pursue economic “development” in a

more holistic and regenerative sense, rather than the goal of economic “growth,” which in their opinion leads to a destructive mis-use of limited natural and human resources. Even technological efficiencies and “green” growth “will not ensure sustainable economic development as long as global ecosystem degradation and loss means that the world continues to face worsening problems of ecological scarcity” (Barbier 2011 p. 233). Others see our current (essential global) form of economic exchange - capitalism - as inherently incompatible with sustainability, particularly in the age of climate change. “The realities of climate change have prompted many to question the claim that sustainable development is contingent upon, or intrinsically connected with, economic growth...” (Oden 2016, p. 31); as Naomi Klein puts it, “our economic system and our planetary system are now at war” (2014, p. 21). Yet Campbell (1996) argued that what he saw as the alternative, a “no-growth economy” would relegate “much of the developing world – and the poor within the industrialized world – to a state of persistent poverty” (p. 14). The challenge then is how to achieve what Fitzgerald and Leigh call economic “development” without the downsides of our current approach to financial returns on investment.

Responses and Alternatives

Sustainable development is becoming a widespread discourse and practice, but it is not without its criticisms, as noted above. Such criticisms point to the existence of “alternative pathways” to achieving a more sustainable society (Hess 2016). Agyeman and Evans (2003) put it most bluntly:

Can we achieve sustainable development and sustainable communities...by tweaking existing policies, which we are doing at present, or do we need a rethink: a paradigm shift away from our present market-driven, resource-intensive development paradigm to one in which society and social values come before economics? (p. 39)

Worker cooperatives are rarely mentioned in sustainable development theory or practice, yet they may provide an answer to Agyeman and Evans (2003) question. As cooperative

advocates note, worker cooperatives are businesses focused on economic growth and profitability, yet primarily concerned with the health and welfare of their members and surrounding communities. Worker cooperatives may provide a vehicle for achieving the “triple bottom line” approach of sustainability that works within our current economic system and in new ones that haven’t been formulated or realized yet. One such system could be based on the notion of “community resilience,” which challenges the idea of system balance and equilibrium core to the idea of sustainable development. In light of the challenges of our time, community resilience posits the need for complex, adaptive socio-ecological systems in order to survive.

2.3.6 Frame five: Community Resilience

Context

A “resilience” framework for sustainability takes a systems approach, borrowing metaphors from the field of ecology, and from Donella Meadows’ and her team’s seminal report, “The Limits to Growth” (1972). Whereas the Planner’s Triangle and the Brundtland Report assert that the pursuit of sustainable development can allow for a continuation of economic growth (as long as compromises can be made to protect the environment and increase equitable distribution of resources) the “resilience” paradigm is based on the notion that this is something that can actually be achieved. Meadows et al. asserted that Earth and its inhabitants constitute a complex adaptive system, one in which there are limits to how many resources can be used without being renewed, before exhausting and collapsing the system itself. Lead author Donella Meadows warned that “the stocks and flows crucial to economic growth would inevitably lead to unstable oscillations...and finally to total system collapse” (Thompson, 2016, p. 22). In other

words, due to feedback loops occurring between social and ecological systems, overuse and abuse of natural resources and human capital would not only lead to total degradation of the environment - but to the end of systems' regenerative ability, and thus preclude any further economic growth. From this perspective, the pursuit of economic growth is inherently incompatible with the long-term integrity of socio-ecological systems.

Beyond Meadows' application and analysis of complex systems, "resilience" is an idea that is still being defined within planning literature and is open to varying interpretations and assigned varying degrees of significance. Much like the term "sustainability" (as discussed in the previous section), "resilience" is "an elastic notion and indeed a contested narrative" (De Carli, 2016, p. 775). Many sustainability scholars like Campbell (2016) view resilience (and related concepts) as primarily an extension of "environmentalism" and "environmental sustainability" from the 1970s and 1990s, rather than a holistic paradigm, and associates it primarily with ecological systems, not human ones. Thompson (2016) believes that the resilience paradigm has experienced recent (re)surgence due to a lack of "substantive discussion of what sustainability means for so long" (p. 16). Though we might need one, there is not yet an elegant diagram like the Planner's Triangle that conceptualizes how complexity theory relates to sustainability, which could "help us understand the dynamics of decision making in a complex eco-socio-technical system" (Moore, 2016, p. 387). Instead, we are confronted with detailed, but theoretical, analyses of how complex systems probably function, react to disruption, and interact with each other.

Holling (1973) articulated an observation about how ecological systems avoid extinction and continue to exist: resilience. At the same time that Meadows and her team developed their complex systems analysis for understanding global economic future, C.S. Holling, an ecologist, published "Resilience and Stability of Ecological systems" (1973). Holling

(1973) defined “resilience” as a system’s overall existential persistence as well as “ability to absorb change and disturbance and still maintain the same relationships between populations or state variables,” (p. 14) which can also be thought of as “adaptive capacity” (Allen and Holling 2010). Because changes in the natural environment, and extreme or outlying random events, occur often in ecological systems, a system’s long-term existence is predicated on its ability to withstand unforeseen occurrences. Furthermore, system resiliency depends not on overall stability, but disruption, which allows novel and innovative elements to utilize underexploited resources, potentially allowing the system to continue surviving (or allowing the transform the system altogether) (Holling 1973; Allen and Holling, 2010). Novelty and diversity are seen as “crucial” for fostering the “adaptive capacity of systems,” allowing them to continue to evolve (Lanham et al. 2016; Allen and Holling, 2010, p. 6). These conclusions come from observing natural ecosystems, but Allen and Holling (2010) and other resilience theorists such as Garmestani et al. (2005) have applied them to social-ecological systems, the structure of cities, and economies.

Scale & Purpose

The concept of resilience can thus be considered in two somewhat competing ways. On the one hand, resilience is an emergent property of complex adaptive systems which indicates their capability to sustain, maintain, and endure disruption through adaptation (Allen and Holling 2010; Lanham et al. 2016). In ecology, an example is the overall resilience of many grassland ecosystems, which due to positive feedback loops between grass and fire, are able to persist in the presence of and because of destructive disruptions. The grassland system appears quite stable to humans (at our size and time scale), while actually experiencing large fluctuations in various species population levels (Allen and Holling 2010). If these fluctuations, or long-term

instabilities, did not occur, the grasses would soon be replaced by more pyrophoric species such as trees and shrubs. In this sense, resilience represents a tendency or ability for systems to “bounce back” to a stable state, and potentially be sustained for long(er) periods.

Resilience thus resembles the propensity for a system to remain integral and whole (Thompson 2016). This means that “resilience” is a key component of any idea of “sustainability,” including economies operating within the paradigm of sustainable development. Likewise, Moore (2016) expresses that “resilience” offers a “useful new metaphor” for understanding sustainability, but that it doesn’t necessarily present “new conceptual tools” (p. 386) in its challenge to sustainable development. It does little to address the world’s many social and economic injustices and unequal distribution of resources and power, which are explicitly part of the Brundtland paradigm (Campbell 2016; Moore 2016; Thompson 2016). As Marcuse (1998) quipped, “no one who is interested in justice wants things the way they are now”; the resilience, i.e. sustainability, of the current system could therefore be seen as extremely undesirable.

But resilience can also be the outcome of a system’s adaptive capacity. When the overall resilience of elements in a system, or even an entire system, is “exceeded,” it triggers staged reorganization, at specific scales within a system, or throughout entire systems. The adaptive capacity of some previously existing elements within the system may not be enough to deal with these changes, and thus they may perish, but other elements - often on the margins - may find such transitional periods to be opportunities for asserting dominance and finding new stable niches. This eventually returns the existing elements to new configurations that can seem stable (depending on the time scale), although these new states are also ultimately temporary. Furthermore, as a result of system disruption, entirely new elements might emerge to replace old,

creating an entirely new configuration of system elements. While the panarchy, or nested set of systems, might not collapse entirely, individual (sub-) systems may change quite considerably (Allen and Holling 2010).

Resilience for some theorists thus means more than the ability for a system to remain integral or in a stable state. Instead, systems' adaptive capacity means that resilience can also result in changes that transform the elements and relationships of a given system, potentially for the better. In the context of socio-ecological systems, resilience can result in positive outcomes if the system undergoes changes that result in altered configurations of social dynamics or the emergence of new, socially beneficial institutions. Rather than a "bouncing back" to a previously existing state after a disruption, resilience in this sense means "bouncing forward" to previously unimagined futures (De Carli 2016). This can occur when communities use their adaptive capacities not only cope with changing condition but are able to leverage such crises to bring attention to and transform the system that created those conditions. De Carli (2016) describes this "transformation definition of community resilience" as a framework whereby a will to social justice is central, and resilience is geared towards supporting the needs and aspirations of marginalized groups" (p. 776). The purpose of community resilience is therefore to offer a "de-centred, de-commodified, and de-carbonised alternative to dominant urban regimes, which takes form through the spatial practices enacted by urban dwellers in order to contrast urban development patterns producing inequality and uncertainty" (De Carli 2016, p. 776).

Case studies, such as descriptions of housing squats in Brazil (de Carli 2016), and the Grande Ronde Native American tribe in Central Oregon (Colombi and Smith 2012), indicate that communities can foster resilience, not only in the sense of adapting to major disruptions, but also the cultural capacity to transform their circumstances during times of uncertainty and system

reorganization. These examples find resonance in ecological theory as well: Allen and Holling (2010) state that “we cannot consider species as passive elements with an ecosystem or landscape, but rather as critical engineers of their environment” (p. 11). In other words, systems and their elements continuously co-evolve. In acknowledging that change is the “key characteristic of ecological and social realities alike” (de Carli, 2016), this approach to resilient sustainability thus focuses on achieving long-term existence of social-ecological systems (communities) that are able to evolve, and even thrive, in dynamic, reciprocal relationships with their changing conditions.

Mechanisms and Measures

The success of economic activity within a community resilience framework is therefore measured in terms of how well it allows a group of people in a particular place both to adapt to, and to shape the resulting outcomes after, disruptions occurring in socio-ecological systems. Rather than compartmentalizing various aspects, the resilience paradigm thus views economics, society, and the environment as labels for interrelated, overlapping elements that create a socio-ecological-technical system (with subsystems). Given this interrelatedness the resilience framework means that, instead of creating or controlling systems to create “balance” or equilibrium, long-term sustainability of a system or systems can only be achieved by fostering strengthened adaptive capacity in the face of unforeseen and unforeseeable future events and conditions. Any attempt to control system outcomes or create stability through top-down economic goals will suppress innovation and novelty that keeps the system functioning, adaptive, and evolving (Allen and Holling 2010). Pragmatically applying his ideas to the field of natural resource management[□], Holling concluded that “the goal of producing maximum sustained yield” (i.e. non-fluctuating population levels of target species) may result in a more stable

system” but one with “reduced resilience” (p. 18), which will ultimately not survive long-term. In other words, a stable system is not the most sustainable one. Rather than attempting to control systems, efforts should be made to embrace the uncertain nature of future possibilities, and design for systems that are able to withstand instabilities and high levels of fluctuation. For those who center resilience in designing the built environment, sustainability could thus mean a “dynamic process of continuous evaluation, action, and re-evaluation” (Moore 2016; Lanham et al. 2016, p. 49) that planners should attempt to foster in an attempt to aid the evolution of designing the built environment.

Climate change is ultimate test of the resilience of socio-ecological systems, and while it poses a threat to the status quo, it also represents a catalytic moment, even a mechanism, for planetary socio-ecological systems transformation. While climate change presents a huge social and ecological system crisis, Klein (2014) argues that it has the potential to be a “People’s Shock, a blow from below,” and a catalyst for transforming the current socio-economic system into one which regenerates human and natural resources instead of exploiting them (p. 10). This could occur if communities are able to use the current reorganizing period and impending disruption to change “what we can hope for, what we can demand from our leaders” (Klein, 2014, p. 28), similarly to the ways squatters (de Carli 2016) and the Grand Ronde tribe (Colombi and Smith 2012) have been able to use crises to open new realms of possibility. Allen and Holling (2010) see novelty and innovation as providing sources of adaptive capacity for both ecological and social systems in the face of the dire disruptions of climate change. In this vein, Klein (2014) mentions that currently novel, marginal, and precarious practices, such as regenerative energy technologies, community supported agriculture, and worker cooperatives,

might take hold in the center of new social and economic systems arising as a result of collective adaptation, and transformation, of our social and economic systems as a result of climate change.

Criticisms

A common criticism of resilience is that it “can elude the notions of power and politics,” evading “the possibility that extant (social, economic, political, and ecological) circumstances generating uncertainty might be subjected to a wider structural critique” (De Carli 2016, p. 775). Moore (2016) argues that “although emphases have shifted, it seems that the concept of resilience offers a useful new metaphor, but not new conceptual tools” (p. 386) and that it “does little to inform the problem of social equity” (p. 386). Resilience is thus a subjective, malleable term. While community activists use the term to mean positive (more equitable) social transformation, others point out that the current economic paradigm (capitalistic economic growth) is itself extremely resilient, able to adapt quite well to changing political and environmental conditions.

Responses and Alternatives

Similar schools of thought are influenced by resilience thinking, such as the de-growth movement (Kallis 2011), which encourages an adaptation to the unsustainability of our current socio-ecological system via a voluntary gradual slowing down of economic production and consumption (and as a result, GDP), especially in industrialized countries. Such an approach emphasizes a “people over profit” mentality which is also seen as an inherent characteristic of the worker cooperative model.

Thompson (2016) argues that “we need both paradigms” of sustainable development and resilience. “We need pluralism. And we need a sophisticated pragmatism that acknowledges that generative power of placing competing perspectives into genuine dialog [sic] with one another”

(p. 26). In line with the criticisms about the lack of explicit focus on social equity within resilience, Thompson argues that if we shift completely to thinking with a resilience paradigm oriented towards stability, we “might well obscure the imperatives of distributive justice.” If we do so, we may end up preserving the very systems that fail “to serve segments of the populace in a structural manner” (p. 25).

2.4 CONCLUSION

Worker cooperatives are economic institutions whose structure exhibits a fundamentally different orientation to labor, profit, and management practices in comparison to other types of businesses or non-profit organizations. All cooperatives, including worker cooperatives, are guided by what are known as the Cooperative Principles, sometimes referred to as the Rochdale Principles. Advocates claim that due to their structure and purpose, worker cooperatives provide myriad rewards to their individual members as well as society at large, including financial benefits, social benefits, and ecological benefits.

Based on these benefits, many groups of people have formed cooperatives throughout the history of the United States. The exact number of worker cooperatives has waxed and waned over time, possibly in response to changing political and economic conditions. State and federal governments have expressed support for worker cooperative development, particularly in the 1930s. During the 1960s and 1970s, a new wave of interest in worker cooperatives began, spurred by mass social upheaval and various, sometimes competing, political movements. By 1980 there were between 750 and 1000 small-sized worker cooperatives in the United States, mostly in the service and retail sectors. Since the 1980s, cooperative advocates and developers have been actively pursuing a variety of strategies to garner support for the creation and development of worker cooperatives. These kinds of initiatives represent a turn in cooperative

development activism towards working directly with city-scale government and institutional partners, across industries, and over long periods of time, to not only develop worker cooperatives but to use them as vehicles for larger systemic change.

Such activism is occurring at the same time that municipal economic development practice in general is evolving. Various frames describe how cities develop their own economies - *traditional economic development, community economic development, social and solidarity economy, sustainable (economic) development, and resilience*. Worker cooperatives are a component of most of these frames, but with differing centrality and significance to each. Depending on the frame city officials use, worker cooperatives may represent a way to develop the entrepreneurial skills and services of local residents, so that they may be less of a burden on government resources. Or worker cooperatives are the core institution of an emerging economic sector that values social integrity and interpersonal relations. Worker cooperatives may be viewed as a potential vehicle for reconciling competing or separate interests of social equity, environmental protection, and economic growth. Alternatively, worker cooperatives may represent a way to alter the nature of economic activity entirely, creating new systems of social and environmental interaction that are more adaptive and resilient in the face of disruptions like climate change.

We may see all or none of these attitudes when people talk about worker cooperatives in each case study city. Looking at how people talk about worker cooperatives and what role they have in the economy can indicate how people are thinking about how practices and moments of economic exchange can and should occur in a society that is more “sustainable,” whatever that might look like. In the following investigation of the ways in which people talk about worker cooperatives, we will be able to explore the reasoning behind the current wave of municipal

actions to support and develop worker cooperatives in the United States, and how this may relate to conceptions of sustainability.

Chapter 3: Research Questions, Cases, and Methods

3.1 OVERALL APPROACH

3.1.1 Epistemological assumptions

Firstly, I wish to make it clear that this thesis, as are all projects of this scope and size, is a work of passion, and an outgrowth of my personal interest in cooperatives. As mentioned in the introduction, I have a close-up perspective of worker cooperatives specifically, having worked for one myself in Québec during the growing season of 2014. As such, I have a (literally) “grounded” perspective in the potentialities and shortcomings of the worker cooperative structure, shared with many of the advocates and government representatives who discuss their cities’ initiatives in the case studies below. During my time as a graduate student, I also became a volunteer board member of the Austin Cooperative Business Association. This should indicate my interest in the long-term strategy of cooperative organizers to grow and develop what many refer to as the “cooperative economy” in the United States and worldwide, and indeed is a motivating factor in researching the topic of this thesis.

Finally, I admit to a belief that cooperatives “work” in the sense that they can be successful, and that they offer viable alternatives to existing models of economic and social exchange and may well be worth municipalities’ efforts to support. My first-hand experiences and pre-existing beliefs about cooperatives may limit my ability to be truly “objective” about worker cooperatives and the current cooperative movement in my country, but I also believe this is not a detriment to the quality of my research. Rather, my knowledge from the field aids me in both conducting and articulating my research findings, which allows for an enriched analysis of the case studies I have selected.

I researched and wrote this thesis with the understanding that scientific inquiry represents but one of many possible perspectives, and that the most useful - the most practical - research is that which is situated within real world contexts. My assumptions here are very similar to those articulated by Wilson (2010) and Flyvberg (2001), who argue that context-*dependent* research, conducted via case studies, is extremely useful for gaining an expert understanding of a social phenomenon. In the spirit of what they refer to as “phronetic” research, i.e., that which is based on the values I expressed above and grounded in real issues, not theoretical abstraction, I have conducted my case study research with an eye to understanding the myriad perspectives on worker cooperative development present in each city. In real life, the case studies here are (still!) evolving and messy, not nearly as cleanly cut as I have attempted to lay them out; surely there are missing voices, details, and events. This is not to say that I believe what I have presented here is not *a* truth, but it is not *the* only truth that could have been constructed from the documentation that I found of what has happened, and the reader would be well equipped to keep that in mind as she continues into the following sections and chapters.

3.1.2 Hypothesis

As I discuss in the previous chapter, according to some advocates and researchers, worker cooperatives are inherently compatible or even integral to many different visions of “sustainable” social and economic activity. For the past few decades, designing more sustainable cities and implementing more sustainable policies has become an increasingly present theme in city planning in North America as well. Thus, a basic premise of this research is that an investigation of how people talk about worker cooperatives can indicate how the public frames activities of economic exchange in a society that is (more) “sustainable.”

A hypothesis began to take shape around the fact that many municipal initiatives⁷ to support worker cooperatives were based in City Council resolutions or public hearings. I wanted to understand what may be motivating city governments to adopt such resolutions and/or implement new policies to support worker cooperatives. Increasingly I became interested in the role that the public forum is playing in these discussions, and in understanding how activists or advocacy organizations may be steering public policy agenda towards such conversations. Intriguingly, so much activity around worker cooperative development appeared to be happening concurrently, in a variety of places: there has been a cascade of support for worker cooperatives since about 2011. These events paralleled the rise of Occupy Wall St., an event and national political movement that also began in 2011 which “changed the national conversation,” skyrocketing the media’s use of words like “inequality” and “greed” (Heuvel 2012; Krishna 2013). These events have arguably changed national “discourse” (Dryzek 2017) in the sense of creating a new collective narrative about contemporary American political economy.

Building on the combination of these understandings about the rising prevalence of sustainability discourse in economic development planning and the ongoing effects of Occupy Wall Street on politics, my hypothesis is that the recent promotion and support of worker cooperatives by municipal governments indicates an evolution of economic development practice. This evolution may represent incorporation of or response to “sustainability” as a discourse within economic development and may portend a future evolution of the concept of sustainability in general.

7 I define “initiative” here as any step that marks the first time a city has acted in a particular capacity. For the purposes of this study, a city government’s mere discussion (i.e. a public hearing or resolution) of worker cooperative development presents a new departure from typical political discourse.

3.1.3 Questions

In order to test my hypothesis, I conducted research in response to two broad, exploratory research questions:

1. In municipal government actions concerning worker cooperative development, how do public and private actors frame the relationship between economic development and worker cooperatives?
2. What does this framing suggest about the motivations for city governments to create, support, adopt, and implement actions that support worker cooperative development?

3.2 CASE SELECTION

To answer my research questions, I employed a comparative case study approach focused on qualitative code or theme building for a cluster of cases, based on similar events occurring in each place, as will be described in the case selection section below. Exploratory in nature, this case study research seeks to identify the various ways in which public and private actors are framing the support and promotion of worker cooperative development in each of the cities studied. For two of the case studies, New York City and Madison, I triangulated my findings by conducting interviews with key participants in the development of each city's initiative. I discuss this further in the Methods sub-section, below.

Initially, I divided the cities into two distinct categories: cities that have either only adopted resolutions, or those that have financed more formal programs that support the development of worker cooperatives since 2012. However, as research continued, the lines between these categories began to blur, and it became more appropriate to categorize how the public discourse in each city exists along a spectrum of support and implementation narratives.

3.2.1 Why 2012?

First, why 2012 as a starting point for this research? Because that was the “International Year of Cooperatives” as proclaimed by the UN, and as I found out as I began researching, this seems to have had the effect of making U.S. cities pay more attention to cooperatives. This can be seen in many of the cities I eventually selected, and also some that I didn’t; many of them issued proclamations or adopted resolutions in support of cooperatives in 2012. Two thousand and twelve is also right after the events of Occupy Wall St, which had its peak in 2011, and has arguably had an ongoing ripple effect on political economic discourse nationally and internationally.

3.2.2 How cities were identified

The cities represented in this cluster were identified through an iterative process, in a manner probably best described as the “snowball” effect. My professional networks and personal interests led me to newspaper articles about New York City’s initiatives, which piqued my curiosity and led me to seek out evidence of other cities’ efforts to do the same. Kerr’s reports (2012, 2015) on “Local Government Support for Cooperatives” indicated that a wide variety of support mechanisms were being discussed and implemented across the country, although varying in scope and size. Camou’s (2013) “Cities Developing Worker Co-ops: Efforts in Ten Cities,” published on the Grassroots Economic Organizing website, was instrumental in discovering cities, as was personal communication with Stacey Sutton of the University of Illinois at Chicago whose preliminary and exploratory research on enabling environments for cooperative development was particularly insightful.⁸ And, as will be discussed further below, many of the

⁸ I wish to note here that I have departed from these scholars’ particular frameworks for categorizing the efforts in each city, which describe cities as using an “anchor-institution” approach, an “ecosystem development” approach, or a “preference approach.” While these terms were helpful for understanding the variety of ways cities may be supporting worker cooperative development, I found they lacked relevance and power for the purposes of this

initiatives and resolutions became sources themselves as they often reference other cities pursuing similar strategies.

3.2.3 Final selection criteria

The main reasons for the selection of these particular cities (see the next section for the list) are that:

a) The final selection of cities comes from an initial compilation of a larger list of cities where I found (via the process described above) activity to support worker cooperative development since 2012. While the initial list of cities is probably not exhaustive, utmost care was taken to ensure that I considered all potentially relevant cities before making further selections.

b) To be considered for this study specifically, the city government (usually the legislative body like a council, or an executive like a mayor or city manager) had to have acted in at least one of the following ways in support of worker cooperatives:

- 1) Passed a resolution or issued a proclamation that has begun an ongoing public conversation about worker cooperatives
- 2) Held a public hearing or other public discussion about worker cooperative development
- 3) Initiated a new city program, or implemented significant modification to existing city programs, to support worker cooperatives, or significantly considered doing so.⁹

study.

⁹ This criterion excludes cities like Jackson (MS) where much activity to develop worker cooperatives has been occurring in recent years, but mostly on a grassroots, yet comprehensive level. Indeed, the activity in Jackson is exceptional to almost all of the other cities pursuing cooperative development in the United States at this point, and while fascinating, incorporates techniques and political action beyond the feasible investigative scope of this study. It also excludes El Paso (TX) and Ann Arbor (MI). El Paso passed a resolution in 2015 in support of the International Year of Cooperatives but there is no evidence of subsequent action. Ann Arbor has allegedly

c) Any of the actions occurring under the criteria satisfied by (b) above had to have at least some public discussion associated with them. As this thesis is concerned with the public talk about worker cooperatives, this criterion ensures exclusion of places like Cleveland (OH), Richmond (CA), Richmond (VA) or Rochester (NY) where the city has acted in an executive capacity to establish support offices for worker cooperatives but there has been little to no documented discussion about the initiatives in a forum of public conversation.

d) Finally, for inclusion in the final selection, the public discourse in each city has to deal with worker cooperatives specifically - thought not exclusively. As I will discuss in the chapter on my findings, in some cities, like Boston and Philadelphia, people discuss many different cooperative types at the same time, while in other cities (New York City, Madison, Santa Ana), worker cooperatives are discussed almost entirely in isolation from any other cooperative types. In the former cases, where more overlap occurs, I have made every effort to separate and analyze only discussion about worker cooperatives, although this was not always clearly delineated by the speakers.

3.2.4 Selected cities

Below is a list of the final selected cities for this thesis, according to the criteria outlined in the immediately preceding section. The earliest activity began in late 2011 in New York City. The latest city to begin formal expression of support for cooperative development is Santa Ana in 2017. The findings in the next section are organized by region as shown here, roughly determined by geography, but also representing sub-clusters of similar framing and discussion about cooperatives.

encouraged residents to explore the benefits of cooperatives but did not commit city resources toward it.

Table 4. Selected cities, initiative types, and years of activity. Listed in alphabetical order.

City	State	Region	Initiative Type(s)	Year(s) of activity
Austin	TX	South	Resolutions, commissioned study, public hearing, staff recommendations	2012, 2014 - 2018 [ongoing]
Berkeley	CA	West	Resolution, public hearing, discussion of an ordinance	2016 - 2018 [ongoing]
Boston	MA	East	Resolution, public hearing	2012, 2017
Madison	WI	North	Municipal budget item [Capital improvement budget] to fund non-government groups	2014 - 2018 [ongoing]
Minneapolis	MN	North	Resolution, changes to existing city programs	2014 - 2018 [ongoing]
New York	NY	East	Municipal budget item [City Council discretionary spending] to fund non-government groups	2011 - 2018 [ongoing]
Oakland	CA	West	Resolution, potentially new city bylaws	2015, 2018 [ongoing]
Philadelphia	PA	East	Resolutions and public hearings	2012, 2016 - 2018
Santa Ana	CA	West	Resolution, discussion of an ordinance	2017 - 2018 [ongoing]

The next section outlines how I analyzed the discourse in each of these cities, and compared my analysis across them, eventually coming to conclusions described in Chapters 4, 5, and 6.

3.3 METHODS

To understand the broader themes of the public conversations in each city selected for this study, I used a highly inductive approach, focused on the verbatim, “in vivo” vocabulary and phrases used in the public conversations within and surrounding each city’s initiative. From there, I built themes and categories of rhetoric that represent broader ideas, depending on the context of the words spoken and the context of each city. I restrained myself from any background research on each city’s history of cooperative development or general characteristics before my first round of coding, allowing my mind to be open to whatever themes emerged, rather than seeking any validation of previous knowledge, however unconsciously. On the whole, this inductive process allowed me to eventually analyze how the discourse may be resonant with any or all of the frames of economic development practice discussed in the literature review, if at all, rather than a process where I would actively seek out specific vocabulary or themes.

My analysis of the codes eventually coalesced into five broad categories that were present in each city and allowed for comparison across the entire set of case studies (see the section “Coding Categories” in the next Chapter for a more detailed explanation of these categories). An overall analysis of the themes for each city led me to conclusions about even broader themes than the codes provided, allowing for key from each city that provide hints at answers to my research questions. Finally, following an in-depth analysis of each case study on its own, I compared all of the cities’ conversations to identify any common themes nationally or any points of tension or divergence. This allows for a holistic picture of the themes present in the national conversation to create, support, and fund the development and growth of worker cooperatives, and is presented in Chapter 5.

3.3.1 Unit of Analysis

In all cases for this study, the unit of analysis is public discourse in broad sense of “public talk.” I define this as a “democratic and fluid exchange of ideas” (Moore 2007) and akin to the idea of “public conversation.” It represents both written and spoken public testimony, public reports and plans, political rhetoric such as press conferences, publicly-available and publicly discussed responses to requests for proposals, and journalistic or quasi-journalistic sources that concern the worker cooperative development initiatives studied here. (A full list of data sources for all cities can be found in the Appendix).

I used NVivo software for Mac (Version 12) to organize the documents, record attributional data and relationships related to the documents, and created visual representations of relationships between concepts. Analyzing the vocabulary used in these sources, I aimed to reconstruct how each initiative began and progressed, who were the key players involved, and what perspectives on each city’s efforts exist. I also kept track of the various actors involved by recording their commentary in relation to a “Case” for each person, organization, and government body involved.

3.3.2 Interviews

Two of the cities I selected for study represent a special sub-set of the overall case studies. New York City and Madison took the discussion of worker cooperatives to the next level compared to the other cities I studied, in that they directly funded implementation of new worker cooperative development programs via the city budgeting process. Both committed millions of dollars to create these special programs and are well-known and well-regarded in the cooperative community for these efforts for doing so. The complexity of passing budget items and creating new programs necessitated more detailed study and more sources in order to deepen and verify

my understanding of the public discourse and governments' motivations in each city. Therefore, I conducted semi-structured interviews with people who had been or are key participants in each city's process, as a way of verifying and triangulating the themes and course of events I identified in the data analysis described above. During the interviews, I took detailed, verbatim notes, and wrote memos based on the conversations for later analysis, stored in NVivo for Mac. The data from interviews provided me with additional context for understanding how initiatives were begun and implemented in these two cities, allowing for a richer description of the process in these cities that are directly funding worker cooperative development and support mechanisms.

3.3.3 Analytic assumptions

Several assumptions are inherent to the inductive, code-building method that I employ in this study. The first is that the language that people are using in public fora about worker cooperatives is chosen in order to persuade and convince both the municipal government and members of the public about the initiatives that are being proposed. Certainly, advocates of worker cooperatives are more likely than not to speak only about the potential benefits of cooperatives rather than not, and to make demands of the city that appear reasonable. Thus, I assume that public talk is also directed, purposeful, and self-conscious talk, with actors conscious of both their role in the process and the power relations at play. In acknowledging this assumption, I wish to point out that the discourse is necessarily an incomplete and imperfect data set with regards to understanding the entire context for worker cooperative development initiatives in each city, but it is still useful in understanding how people frame cooperatives *publicly*, i.e. within the parameters I just described.

Another assumption is that there is often a high degree of collaboration and porousness between government officials, advocates, and the public, particularly at the municipal level. Sometimes this is purely out of convenience and time constraints. For example, I assume that advocates have a strong hand in helping to draft resolutions and lobby for their placement on agendas. At the same time, I also assume that when a government body adopts a resolution, it gives its full consent to the entire text and thus the data reflects not only the opinions of whoever wrote it but also the opinions of the body giving final approval.

Relatedly, vocabulary, once introduced into a discussion, can spread like wildfire and be adopted by many parties, even if words are not well defined or have sometimes seemingly contradictory uses. When possible, I've coded and analyzed seemingly different uses of the same term as distinct, but sometimes this is impossible. As my analysis takes place at a rather high level, such instances are probably minute in the overall results of this study but should be taken into consideration when replicating or verifying my research.

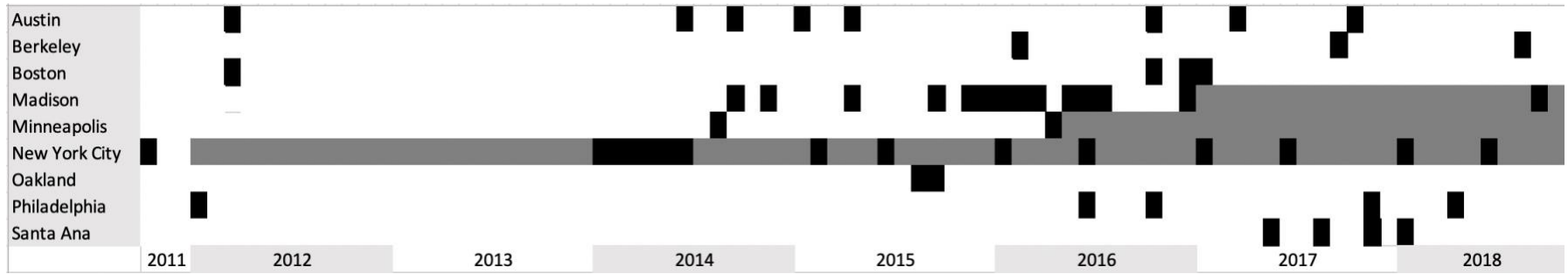
3.4 CONTEXT

3.4.1 National timeline

The following Figure (Figure 6) presents an overview of the timeline of initiatives occurring in each city from late 2011-2018. Each square represents one month. Black squares indicate a month when activity regarding worker cooperative development was happening (this could be a meeting, a proclamation, or some other concrete event). Grey squares in Madison, Minneapolis, and New York City represent periods during which program implementation is taking place, but no specific government action occurred. For a specific timeline for each city with dates, events, and other relevant information, see the relevant case study city in Chapter 4 (Findings).

As discussed in the Case Selection section of this chapter, the initiatives begin in early 2012, the International Year of Cooperatives. Interestingly, no activity in any of these cities occurred in 2013. By 2014, a majority of the case study cities had begun worker cooperative development initiatives in some way, and by 2017 activity is occurring in all of the case study cities. The general cut off point for gathering data for this study was Fall 2018.

Figure 6. National timeline of worker cooperative development initiatives in selected cities.



3.4.2 Case study background information

The following table presents a brief overview of the demographic and political characteristics of each city studied in this thesis. Interestingly, while the case study cities vary in population size, racial and ethnic composition, and municipal government structure, they are all Democratic- and liberal-leaning, at least when it comes to the latest presidential election.

Table 5. Key political characteristics of case study cities.

City name	State	Region	Population (2017 Estimate)	Percent white alone non-Hispanic ¹⁰ (2017)	2016 Presidential Election Votes ¹¹	Government type
Austin	TX	South	950,000	48.9%	66% Democrat; 27% Republican	Council-manager
Berkeley	CA	West	122,000	55.5%	90% Democrat; 3% Republican	Council-manager
Boston	MA	East	685,000	45.3%	80% Democrat; 13% Republican	Strong mayor-council
Madison	WI	North	255,000	74.8%	78% Democrat; 22% Republican	Strong mayor-council
Minneapolis	MN	North	422,000	60.4%	79% Democrat; 11% Republican	Mayor-council
New York	NY	East	8,600,000	32.3%	40-86% Democrat; 9-56% Republican ¹²	Strong Mayor-council
Oakland	CA	West	425,000	27.3%	89% Democrat; 4% Republican	Strong mayor-council
Philadelphia	PA	East	1,580,000	35.3%	82% Democrat; 15% Republican	Mayor-council
Santa Ana	CA	West	335,000	9.2%	50% Democrat; 42% Republican ¹³	Council-manager

10 Over 60% of all Americans identify as White non-Hispanic as of 2016; about 18% identify as Hispanic or Latino (any race).

11 Vote recorded either for the Democratic or Republican Presidential candidate only (i.e. other seats could be substantially different). Intended to indicate a metric of general and recent political context only. Keep in mind there were significant votes for Libertarian, Green, and Independent candidates in many places, sometimes upwards of 3%.

12 Depends on the County. New York County (Manhattan) voted 86% for Democratic candidate and 9% for the Republican. Staten Island voted 56% for Republican candidate and 40% for Democratic candidate.

13 Results for Orange County, CA. Unavailable in aggregated form for Santa Ana only.

3.4.3 Economic characteristics

The following table presents an overview of a few key economic characteristics about each city studied, including the major economic sectors, poverty level as of 2016, and the median household income according to U.S. Census data. As shown below, the cities vary somewhat economically. While all of the case study cities struggle with poverty levels well above the national average, the wealthiest cities have the lowest percentages of people living in poverty (Austin, Boston, and Berkeley). Some cities like Philadelphia and New York City are robust centers of the national economy but the local residents do not appear to be the direct beneficiaries of that activity; others like Santa Ana, Madison, and Minneapolis are smaller cities with less diverse economies but struggle like the others with poverty and inequality. As will be discussed in the Findings section, these issues of poverty and income inequality are a significant part of the discussion about worker cooperatives and economic development in every city.

Table 6. Key economic characteristics for case study cities.

City name	State	Region*	Median Household Income (2012-2016 5 year average in 2016 Dollars) ¹⁴	Poverty level (2016) ¹⁵	Major economic sectors
Austin	TX	South	\$60,939	16.7%	State government, education, tourism, entertainment
Berkeley	CA	West	\$70,393	19.9%	Education and research
Boston	MA	East	\$58,516	21.2%	Education, research, state and local government
Madison	WI	North	\$56,464	18.6%	State government, education, research
Minneapolis	MN	North	\$52,611	21.3%	Manufacturing, health care, professional services, retail
New York	NY	East	\$55,191	20.3%	Diverse, including education, financial services, tourism
Oakland	CA	West	\$57,778	20.0%	Manufacturing, shipping, public agencies, health care and medicine
Philadelphia	PA	East	\$39,770	25.9%	Diverse, including educational, financial services, tourism
Santa Ana	CA	West	\$54,062	21.2%	Public agencies, some manufacturing and warehousing

¹⁴ For reference, the national median household income is \$55,322 in 2016 dollars.

¹⁵ For reference, the poverty level for the United States as a whole was about 12% in 2016.

Chapter 4: Findings

4.1 INTRODUCTION

This chapter outlines the findings for each case study according to the methods described in the previous chapter. The first section is a guide to the case studies, which outlines the coding categories and perspectives identified in the course of researching the worker cooperative development initiatives in each city, as well as the general structure of each case study. The findings are grouped by approximate region: East, North, South, and West. Cities in relatively close geographic proximity tended to have similar themes, as well as generally similar economic and political contexts. At the end of the chapter is a table showing the data sources for each case study, and a table summarizing key takeaways for each city individually. Following this chapter is Chapter 5 (Discussion), which compares and analyzes the case studies all together.

4.2 CASE STUDY GUIDE

As described in the Methods section of Chapter, I used an exploratory, inductive approach to identify and code how people describe worker cooperatives and economic development in each city. During this process, I noted the emergence of five categories of codes from the data, as elaborated in the first table below. The categories represent patterns found in all cities studied in terms of how worker cooperative development is framed by people from various perspectives, elaborated in the second table below.

4.2.1 Coding categories

Each category of codes emerged organically after an overall coding of all of the relevant documents and discourse for each city (for a full list of documents analyzed, see the Data Sources table at the end of this chapter). Once I had an overall picture of the various statements

people were making within the conversations about worker cooperative development in each city, I noticed that there were five main categories that the codes fell into and that were most relevant to my research questions (described in the previous chapter, Chapter 3). All of these categories of codes are present in each city I studied, and capture the most relevant statements, sentiments, and context necessary for evaluating my hypothesis.

The emergent categories, how I came to define them, and their significance to my study are elaborated in the table below. In the section on each city’s specific findings, presented in the second section of this chapter, the major codes for each category are presented in a matrix format in relation to the perspectives they are associated with. (Perspectives are explained in the next section following this one).

Table 7. Thematic categories, definitions, and significance.

Thematic category	Definition	Significance
Claims about cooperatives	How people describe the cooperative model and how it works, and its perceived downsides or benefits	Points to understanding the nuances in the way people understand cooperatives in each place and what specific aspects are important enough for them to articulate in a public forum
Types of cooperatives	How people talk about the structural varieties of cooperatives, the types of cooperatives in their city, or the types of cooperatives they imagine or would find valuable	Highlights which types of cooperatives are significant in a city (already operating) and how cooperatives fit into larger understandings of important economic sectors and industries
The role of the government in cooperative development	How people view the actual or potential role the city government can have in developing cooperatives.	Points to both idealistic and realistic expectations of what the government’s capability in this regard might be, can reveal

		political economic orientations of speakers
Table 7 (cont'd). Thematic categories, definitions, and significance.		
	economic context within a city and how they describe what a future economic situation could look like	Context for understanding what kind of issues the city may be facing and why worker cooperatives might be promoted as or understood to be an attractive solution to those problems
Connections and comparisons to other places	How people talk about the efforts of their own city or other places, or how the initiative relates to work being done in other places.	Reveals local knowledge and (self)-awareness of a “cooperative movement” at any scale (if mentioned)

4.2.2 Perspectives

For this thesis, I am concerned with the speaker’s association with the worker cooperative development initiative in each city. Thus, I have categorized the codes and resulting themes based on distinct categories of speakers: officials, cooperative advocates, worker-owners, and residents. I have also categorized media accounts and written government documents as separate perspectives from oral comments, given their more official, deliberate, and permanent meaning. Note that not all perspectives are present in each city’s discussion about worker cooperative development.

In general, my analysis found that while framing of cooperative development may vary between perspectives in any one city (depending on the city), within a perspective framing is essentially non-contradictory. That is to say, in the findings for each city (as detailed in the following nine sub-sections below), the reader can assume that the generalized findings (as enumerated in the coding categories) represent an overall summary of discourse presented by people representing each perspective, even though not every person speaking for each

perspective necessarily expresses *all* of the codes presented. In the case where one person may exhibit an affiliation with more than one perspective, for example a worker-owner who is also a cooperative advocate, or a resident who is also a worker-owner, I have categorized their comments based on how they primarily describe themselves or whichever is a more specific role. For example, council-members and government officials are generally assumed to be residents of the city where they are speaking, but their more specific role in the discourse is that of their official capacity. These boundaries are therefore somewhat porous.

Table 8. Perspectives, definitions, and significance.

Perspective	Type	Definition	Significance
Government documents	Document	This includes anything written where the author can be considered the city itself, in a broad sense. Depending on the case, this can include resolutions, recommendations, budget items, information sheets, staff reports, and other related items.	This kind of perspective represents the “official” perspective of the government as these are texts that are approved by governing bodies and often legally binding. They are also the medium through which the government represents its official opinions to the public.
Government officials	Person	Generally speaking this means city Council-members and city staff when they are identified individually, almost always their spoken comments (even if transcribed).	Comments from Council-members and staff represent more personal and individual political understandings of the initiatives, thus providing nuance for understanding each case, even though these figures are acting in their official capacity when making statements.
Cooperative advocates	Person	People who present themselves as professionals primarily working to promote, develop, or support cooperatives; may include self-identified worker-owners	Provides a major activist perspective on the initiatives in each city, and reveals the nature of advocacy pressure on the initiative

		who are part of advocacy or development organizations	
Worker-owners	Person	People who primarily present themselves as worker-owners or members of worker	Helps understand how worker cooperative owners and members frame and talk about the initiatives
Table 8 (cont'd). Perspectives, definitions, and significance.			
Residents	Person	People who do not self-identify as any of the categories above and explicitly and/or identify primarily as city residents	Helps provide context for how people who are less directly impacted by the initiative view it
Media	Document	Journalistic accounts of events or perspectives related to the initiative	Provides context for how the initiatives are being understood in the public eye, and local context in general

4.2.3 Case study structure

In the following section, I present my findings for each city I selected for study, based on the methods described in Chapter 3. The findings are grouped by region, as described in the introduction to the next section. Each city’s findings begin with illustrative quotes to provide a flavor of the exact language and multiple perspectives present in the city’s discourse. Following that, a brief overview of the findings follows, then a table presenting the major codes for each category expressed by people representing various perspectives (as outlined in the previous two sections, above). Finally, I present an analysis of the major themes that are present in each city. At the end of the section is a table noting the sources of data consulted and analyzed for each city. The chapter following this one discusses all of the common themes between the cities, as well as themes that are unique to only one or a few subsets of the case studies, providing the

reader with an overall picture of the national discourse about municipal worker cooperative development at this time.

4.3 EAST

Three cities along the American Eastern seaboard were selected for study in this thesis. New York City, Philadelphia, and Boston's city governments have all moved to support worker cooperatives in slightly different ways since 2012. New York City is home to one of the most well-known and oft-cited worker cooperative development initiatives in recent years, funding local non-profits to provide technical assistance to worker cooperative start-ups. Philadelphia and Boston's City Councils have both issued proclamations echoing the International Year of Cooperatives and held public hearings to explore how the cities could further support cooperative development. As major cities in the U.S. economy, these cities have recovered relatively well since the Great Recession of 2008, but still struggle with self-identified problems of high poverty levels and large disparities between the rich and poor. Addressing these gaps while keeping the economy booming appears to be an issue for all three of these cities, although they use different vocabulary to describe this motivation. In the three sections that follow, I detail the context for each city's initiative, the major codes of each discussion, and my analysis of the high-level themes that emerge.

4.3.1 New York, NY

Speaker of Council, Outlining “Nine Point Job Creation Strategy” in October 2011:

We will not become a city that only has room for the very rich and the very poor.

Cooperative advocate, February 24 2014 public hearing:

We have an opportunity to really set a new national standard. This really is something that’s new. The Bay area, Cleveland, Chicago, they’re not doing what we’re about to do, okay?

Cooperative advocate and developer, February 24 2014 public hearing:

We are proudly based in the Bronx, and that is our roots and our home, and we exist for the sole reason of creating worker owned cooperatives, particularly worked owned cooperatives that are really able to transform our communities... because we see in the power of worker cooperatives a way to really create a different kind of economy, to transform what economic development looks like, and traditionally has looked like in New York City.

We are about environmental justice. We are about empowering workers. We are about retaining wealth in our communities. Historically...economic development has looked like... creating opportunities for wealth extraction...and gentrification and creating an influx of low wage employers....that is not the kind of economic development that we want.

Council-member, chairing the February 24 2014 public hearing:

So I thank you all for your input, not because you agreed with us, but because it was unanimous, and I think that that sends us an absolute strong message that we are on the right track and we have to pursue this conversation on different levels over time to make sure that we--what we do, we do well, but we’re going to do it together.

4.3.1.1 Context

New York City, home to more than 8.6 million people, is the largest city in the United States and one of the oldest. Founded at the natural harbor where the Hudson River meets the Atlantic Ocean, the city has long been a major economic center, as a port, a landing point for many waves of immigration, and an international financial hub. Its economy is diverse, still based in manufacturing and trade, but also including education, financial services, entertainment,

and tourism. Countless companies are headquartered in the city, and over 200,000 small businesses make up the fabric of neighborhood and borough life. With a median household income of \$55,191 in 2017 dollars, the city is on average neither richer nor poorer than the country at large, but the city's famously high cost of living makes it an easier economic environment for some to live in than others. Over 20% of New Yorkers live in poverty as of 2017, while it is also a home for many American and foreign millionaires and billionaires. New York City's population is about one third White non-Hispanic, diverse in terms of ethnic background, race, country of origin, and many other ways. It is an overwhelmingly liberal and Democratic city, particularly in its inner boroughs and neighborhoods.

The city government in New York employs a "strong" mayor-council structure, wherein the Mayor is elected at large and commands an executive role in the city. The mayor has the power to appoint many positions within city government and controls much of the budgeting process. The City Council is made up of elected representatives from fifty-one districts who are elected every four years, except for two consecutive two year terms every twenty years to allow for redistricting between the terms due to the national census. City Council members in New York City run as candidates representing political parties, and as of 2018 the Council is overwhelmingly Democratic, with Democrats holding 47 out of 51 seats.

While the Mayor has veto power over the Council's legislation, the Council also has the ability to override a Mayor's veto, resulting in a balance of power that the New York City Council's website calls an "equal partnership" between the executive and legislative branches. The Council thus negotiates with the Mayor on major pieces of legislation such as the City's annual budget. The Speaker of Council plays an important role in setting the Council's agenda

and overall priorities, and as will be seen in the findings to follow, this office has had a particularly important role in New York City's recent efforts to develop worker cooperatives.

New York City has been the site of many cooperative and labor movements since its founding. The city is home to many housing cooperatives, such as Cooperative City in the Bronx, founded in the 1960s, and others founded in the 1970s and 1980s when the city's real estate market faltered, and squatters took over abandoned properties. One of the largest and oldest consumer cooperatives in the United States, the Park Slope Food Cooperative, has been operating in Brooklyn since 1973. However, worker cooperatives have been relatively more scarce than other types of cooperatives in New York City, with less than two dozen operating in 2010, around the time NYC's worker cooperative development initiative began to emerge.

Prior to this time, the most notable worker cooperative in the city was the Cooperative Home Care Associates (CHCA), still the largest worker cooperative in the United States. The CHCA was founded in 1985 and has since become a national model of a long-lasting cooperative enterprise in a low-wage, minority-dominated industry, frequently cited by many activists in other cities and in cooperative literature. More recently, Green Worker Cooperatives was founded in 2003 to create businesses and employment for the purposes of both environmental sustainability and community development in the Bronx. The New York City Network of Worker Cooperatives (NYCNoWC, pronounced "knick-knock") was incorporated as a non profit in 2011, arising out of an informal group of worker cooperatives, other organizations, and individuals working to develop cooperatives that was created in 2009 (NYCNoWc, n.d.). Founding organizations of NYCNoWC included a broad swath of New York City cooperatives, non-profits and community organizations. These include the Center for Family Life in Sunset Park, Green Worker Cooperatives, the Community Development Project of Urban Justice Center,

Fordham Law School, National Domestic Workers Alliance, LSA Family Health Service (“The Little Sisters”), Workers Justice Project—and worker cooperatives Cooperative Home Care Associates (CHCA), Sí Se Puede, Beyond Care, COLORS, The Sharing Place, and Third Root Community Health Center. Many of these organizations played a fundamental role in the City Council’s worker cooperative development initiative, as will be further elaborated in the next section.

4.3.1.2 Timeline and key players

The New York City Worker Cooperative Business Development Initiative (WCBDI) began as the “Worker Cooperative Development Training Program,” an experimental collaboration between the New York City Speaker of Council’s office and a local non-profit that was interested in developing worker cooperatives in 2011. In early 2014, responding to calls to action from a coalition of local non-profits, the newly appointed Chair of the Committee on Community Development held a public hearing about worker cooperatives entitled “Worker Cooperatives - Is this a model that can lift families out of poverty?” Building on the success of the initial program started in 2011, the positive results of the public hearing, and conversations with local cooperative developers and non-profit agencies, the New York City Council pledged more than a million dollars to city-wide cooperative development efforts in the 2015 fiscal year budget. The program has been renewed in every City budget since 2015, experiencing no documented opposition from the community or any council-members, and funding amounts have increased annually. Notably, the funding is not allocated via an open request for proposals, rather all of the organizations that seek funding work together, in collaboration with the Council, to determine how much money each group will get out of the available funding allocation in a

given year. These amounts are then contracted individually with each organization as delineated in the City's annual budget.

In combination with other statements of recognition and support, as well as the adoption of a law to track City procurement from worker cooperative businesses,¹⁶ the series of events leading to the creation and ongoing renewal of WCBDI reveal a City Council that has had a long-term interest in supporting worker cooperatives, even as particular politicians have come and gone. As will be further discussed in the next section, the initiative appears to have arisen at a time when both the general public's opinion and politicians' opinions about New York City's economic future were open to new ideas and new directions. According to those involved at the time, politically savvy cooperative advocates and partnered non-profits seized what they saw as an opportune moment to push through the initiative and maintain its momentum, building it from a modest experiment into one of the country's most prominent and oft-cited worker cooperative development initiatives.

The following table provides a detailed account of the events occurring during New York City's worker cooperative development initiative.

16 Note that while discussion about the city's related worker cooperative procurement law is extremely interesting, highly related to, and mostly contemporaneous with the Worker Cooperative Business Development Initiative, for more direct comparison with other cities' initiatives I have only analyzed the discourse surrounding the WCBDI. Future researchers will surely find that further research on the procurement law will be the source of even more detailed understandings about the particulars of New York City Council's understandings of worker cooperatives and their motivations in supporting them.

Table 9. New York City timeline.

Date	Event	Notes
October 18 2011	Speaker of Council gives speech at Association for a Better New York	Outlines a 9-point job creation strategy which includes an early version of the Worker Cooperative Business Development Initiative. Funding goes to the SCO Family of Services' Center for Family Life in Sunset Park.
January 12 2013	Speaker of Council announces selection of participants for "Worker Cooperative Development Training Program"	Press release indicates that the SCO Family of Services' Center for Family Life in Sunset Park will use its city funding to provide in-kind services to two other organizations, the Westchester Square Partnership and Make the Road New York, to train those organizations to develop worker cooperatives
January 30 2014	Federation of Protestant Welfare Agencies conference on worker cooperatives	Whole day conference hosted by FPWA, accompanies release of the FWPA's report: "Worker Cooperatives for New York City: A Vision for Addressing Income Inequality"
February 24 2014	Council Committee on Community Development public hearing	Title of hearing is: "Worker Cooperatives - Is this a model that can lift families out of poverty?" The hearing was initiated by Council-member Maria del Carmen Arroyo and Council-member Helen Rosenthal
March 10 2014	Committee on Community Development preliminary budget hearing	Council-member del Carmen Arroyo briefly mentions the WCBDI idea but there is no further discussion about it.
April 23 2014	Council issues its response to the initial budget proposed by the mayor	Includes a request to fund the "Worker Cooperative Business Development Initiative" for \$1.2 mil. Included in a section titled "Job creation and Economic Development Opportunities." The funding for the program comes from Council's discretionary funding, which is a way that the City funds non profits in each of the City's 51 districts.

Table 9 (cont'd). New York City Timeline.

May 2014	City Council budget hearings	Committee on Community Development and Committee on Economic Development budget hearings included minor discussion of the WCBDI. At this point the initiative was essentially guaranteed to be included in the budget and no further discussion about the initiative occurred.
May 14 2014	Rally on the steps of City Hall	Worker cooperative members and Council-members hold a press conference outside the public hearing to raise awareness about worker cooperatives and the budget item
May 29 2014	Ceremony recognizing nonprofit organizations leading NYC's cooperative business development movement	City Council proclamation recognizing the work of the Center for Family Life in Sunset Park
June 21 2014	"Worker Cooperative Day"	As proclaimed by Mayor Bill de Blasio earlier in the year
June 26 2014	City Council meeting	Fiscal year 2015 Budget approved with \$1.2 million of discretionary funding going to the Worker Cooperative Businesses Development Initiative (WCBDI), distributed amongst 11 partner organizations
February 26 2015	Passage of Local Law 2015-22	Requires the city to report on the number of city contracts awarded to worker cooperatives and the number of worker cooperatives that received assistance from the Department of Small Business Services (SBS). Discussion about this initiative was ongoing since October 2014.
February 26 2015	Worker Co-op Fair at City Hall	Worker cooperatives present their goods and services at a City Hall event, organized by Council-member Rosenthal.
June 2015	City Council approves budget	Fiscal year 2016 Budget approved with \$2.1 million of discretionary funding going to the WCBDI, distributed amongst 13 partner organizations.

Table 9 (cont'd). New York City Timeline.

January 2016	Fiscal Year 2015 Report released	First report on the WCBDI. Written by Stephanie Guico, a cooperative consultant. No organizational author listed but appears to be the work of a coalition of many of the initial 11 funded partner organizations. Mentions quantified metrics such as number of cooperatives created, and demographic information about new cooperative owners. Lists new cooperatives by Council district and industry.
June 2016	City Council approves budget	Fiscal year 2017 Budget approved with \$2.2 million of discretionary funding going to the WCBDI, distributed amongst 13 partner organizations
January 2017	Fiscal Year 2016 Report released	Released as part of compliance with Local Law 2015-22. Written by the Department of Small Business Services (SBS). Highlights the ways in which SBS has helped the organizations who received funding as part of WCBDI. Focus on quantitative metrics of worker cooperative development: worker cooperatives created, services provided to worker cooperatives and/or businesses, entrepreneurs reached, and jobs created. Also lists the cooperatives created, their mission, and number of worker-owners.
June 2017	City Council approves budget	Fiscal year 2018 Budget approved with \$3 million of discretionary funding going to the WCBDI, distributed amongst 13 partner organizations
January 2018	Fiscal year 2017 Report released	Very similar report to the one released in January 2017. Written by SBS.
June 2018	City Council approves budget	Fiscal year 2019 Budget approved with \$3.5 million of discretionary funding going to the WCBDI, distributed amongst 13 partner organizations

4.3.1.3 Prominent codes and categories

The table below provides an overview of the ways people talk about the New York City Worker Cooperative Development Initiative (WCBDI), as per the categories and perspectives described in the first section of this chapter. The initiative unfolded over more than seven years, and among other events resulted in a public hearing, so there was much material to draw from, with many perspectives contributing their voices to the conversation.

Table 10. New York City - Prominent codes and categories.

Perspective	Claims about cooperatives	Types of cooperatives	Government role in cooperative development	Economic context	Connections and comparisons to other places
<p>Government documents such as budget items, staff reports, info sheets</p>	<p>Create stable and “meaningful” jobs, create business owners</p> <p>Higher wages, better benefits than other businesses</p> <p>Potential to lift families out of poverty, increase and stabilize employment in “struggling” neighborhoods</p> <p>Embody democratic values and help people achieve the American Dream</p>	<p>Service industries: home cleaning, day care, elder care, catering and restaurants</p> <p>Potential to expand into other industries as well</p>	<p>Help make low-income people into business owners, so they can “create a better life”</p> <p>Provide funding for education and technical assistance that will create jobs and new (cooperative) businesses</p>	<p>“Tale of Two Cities,” i.e. income inequality (Rhetoric from 2012 mayoral campaign)</p> <p>Ongoing effects of recession, such as, unemployment, low wage jobs</p> <p>Unequal spatial distribution of jobs and poverty within the city</p>	<p>References to cooperative organizing in Oakland, Berkeley, San Francisco</p> <p>References to Italy, Quebec, Spain</p>
<p>Government officials</p>	<p>New model of workforce development that fosters upward mobility, economic security, and individual self-sufficiency</p> <p>Allows low-income, immigrant workers to have a better family life, personal development</p> <p>Sustainable (stable, long term, and “green”)</p>	<p>Interested in targeting particular sectors: food, construction, trades, and other typically low-wage industries</p> <p>Cooperative conversions could keep long-standing businesses in the community</p>	<p>Educate public and city government staff about cooperatives</p> <p>Incorporate cooperative development and training into existing city programs and departments</p> <p>Provide an opportunity and market for cooperative businesses through city contracts</p>	<p>Poverty and “tale of two cities” rhetoric</p> <p>Exploitation of low wage workers in many industries in NYC</p> <p>Cooperatives represent an efficient investment for gov’t in terms of number of jobs created per dollar spent</p>	<p>View NYC as “launching pad of innovation”</p>

Table 10 (cont'd). New York City – Prominent codes and categories.

	businesses Challenges: vulnerable to mismanagement, market fluctuations				
Cooperative advocates	<p>Businesses that care about the environment and are connected to the community, don't relocate</p> <p>Makes people into better friends, partners, citizens</p> <p>“Workplace democracy” where people have more control over workplace</p> <p>Create wealth and increase income for low-income people; help “share the profits” of labor</p>	<p>Socially and ecologically sustainable businesses such as those created by Green Worker Cooperatives</p> <p>Any scale: “Small scale, medium scale, large scale”</p> <p>Conversions from other businesses</p> <p>Targeted industries such as construction</p>	<p>Past attempts at community economic development have not met community needs</p> <p>City should recognize benefits of worker cooperatives and actively promote them, include them in workforce development</p> <p>Worker cooperatives should be preferred city contractors</p> <p>City should provide funding to cooperative developers and capital to cooperative businesses</p> <p>Work with the government but also don't rely on it</p>	<p>Occupy Wall Street and the 99%, “Tale of Two Cities”</p> <p>Poverty and exploitation are major problems</p> <p>Since Great Recession new jobs are low paying and unsatisfactory</p> <p>Need to create an economy that “puts people first”</p> <p>City has potential for many more worker co-ops</p> <p>Co-ops can be part of a growing “solidarity economy”</p>	<p>NYC can be a national leader in cooperative development and influence the cooperative economy movement</p> <p>City can do better than Bay Area, Cleveland, other initiatives in the U.S.</p> <p>References to Argentina, Quebec, Spain, Italy and potentially adopting practices from those places</p>
Worker-owners	<p>Help people grow personally, learn more computer and English skills</p> <p>Allow workers to spend more quality time with their families</p>	<p>Housekeeping, childcare, art-making cooperatives, mother support services</p>	<p>Government support for cooperative developers has already had and will continue to have a positive impact on their businesses</p>	<p>“We don't want to be poor”; want an opportunity to get out of poverty</p> <p>Cooperatives can help create a better world through strengthening and supporting</p>	<p>No explicit references beyond particular neighborhoods in NYC</p>

	“Gives you the opportunity to become a good citizen”		“The city should	families and communities	
Table 10 (cont'd). New York City – Prominent codes and categories.					
	American Dream Healthier and less exploitative working environment, especially compared to “other jobs”		promoting living wages”		
Media	Higher wages and benefits, more productive workers compared to other jobs in the same industry More quality family time especially for women Create economic opportunities for immigrants who may struggle to find other employment	Cleaning, housekeeping, and other service industry businesses	N/A	De Blasio’s campaign “against” the “Tale of Two Cities” and “widespread” economic issues like income inequality, poverty Need for solutions to poverty and to “raise the floor” for economic opportunities Worker cooperatives are part of the “solidarity economy”	References to Reading, PA; Jackson, MI; Richmond, CA; Canada; Spain; Italy Discussion of Mondragon cooperatives and how they survived recession

4.3.1.4 Analysis

In identifying the codes which describe the discussion as outlined in the previous section, several general themes emerge, detailed below. These themes summarize how actors generally frame worker cooperative development in New York City, and the city government's suspected motivations in creating, supporting, and adopting actions to support worker cooperatives since 2011.

- 1. Poverty defines the city's contemporary political discourse. Relevant social groups agree that worker cooperatives are a potential solution to either, or both, poverty's symptoms and causes.** Emerging from the background to become a spotlight issue, almost certainly as a result of Occupy Wall Street and Mayor de Blasio's 2013 campaign, poverty is a universal rallying cry for cooperative development. Advocates and government officials alike tout the relative benefits of cooperatives when compared to other businesses, such as higher wages, more benefits, and more self-sufficiency for low-income, minority, and women workers. While other aspects of cooperatives are important, like their intangible effects on individual quality of life and community development, they are framed mostly as allowing low income people to be more self-sufficient and less reliant on public assistance, addressing the symptoms if not the causes of poverty in the city. Worker-owners and government officials frame this idea in terms of achieving the "American Dream," notable in a city with so many immigrants. Whether worker cooperatives also get at the causes of poverty depends on the actors' understanding of their relationship to and place within capitalism.
- 2. Worker cooperatives are both a "friendlier" form of capitalism and a complete departure from it. They are "innovative" and exciting.** With only a few existing

worker cooperatives actively operating in the city, and few other models for support existing in the U.S. at the time the initiative began, actors are able to ascribe any desired outcomes onto cooperative development. Government officials admit to taking a “leap of faith” when moving to support them, unsure if the positive narrative espoused by worker cooperative advocates would come to fruition, but seemingly persuaded by the idea that cooperatives could be a working-class response to the “innovative” start-ups driving income growth at the other end of the economic spectrum. For cooperative advocates, getting funding for worker cooperatives allows them to foster the creation of organizations that represent a radical mechanism for social and economic exchange. As long as the funding is flowing, the tenuous relationship between cooperatives and the dominant economic system of the city remains unquestioned, although lurking below the surface.

3. **For political opportunists, rewards may outweigh the risks, as long as suppressed tensions (fostered during the initiative’s creation) remain so.** As noted above and in the previous section, worker cooperative developers and advocates seized upon a particular window of political opportunity in early 2014, and support took off even faster than they anticipated. The initiative came together in less than six months, and groups which had been loosely organized suddenly had to put together a joint proposal to receive city funding, or risk losing it entirely. Because the gamble worked out, and the initiative’s funding continues, even increasing every year, few wish to “rock the boat,” even if they have a different vision or desire for the way the city should fund worker cooperative development. This includes differences in vision between the various cooperative developers and groups receiving funding, as well as differences between the city and non-

government groups as a whole. With key council-members and the Mayor set to retire within a couple of years (due to term limits), the future of the initiative is uncertain, but up until now has never experienced political opposition. The program's long-term stability and effectiveness remains to be seen, even as all is calm on the surface.

The overall takeaway for New York City is this: the city government wishes to foster the development of organizations that support worker cooperatives (not necessarily worker cooperatives themselves), because it sees the worker cooperative business model as a way to create well-paying, stable jobs, particularly for low-income workers. Doing so is part of a larger effort to address (at very least, the symptoms of) extreme poverty, an idea currently possessing significant traction in New York City politics.

4.3.2 Philadelphia, PA

Council-member, at Committee on Commerce and Economic Development meeting:

And for me, I didn't really realize that co-ops had been part of my family since before I was born...My grandfather, with other black farmers in the community, were able to pool resources together to purchase a bus so that their children could go to South Ayden colored school. So that's really my first experience with co-ops. And then when I flash forward about 65 years later, I live in Mount Airy and my son attends Childspace, which is a co-op.

Council-member, at Committee on Commerce and Economic Development:

Let me just state for the record that I love the concept of co-ops, because it turns that old argument regarding the tragedy of the commons upside down. I mean literally. It does.

Worker-owner, testifying at the Committee on Commerce and Economic Development:

I am here to ask you to keep our family working together in what I believe is the most equitable and sustainable way of doing business in our community, one in which not only I benefit but those around me also benefit. Like a rising tide that lifts all boats, we go up together, we grow together as a co-op, like a family.

4.3.2.1 Context

Founded in 1682, Philadelphia has deep connections to significant parts of United States history. It's the largest city in Pennsylvania, with about 1.5 million residents, in a metro area of six million people, the eight-largest in the United States. Philadelphia is a significant economic and educational center on the East Coast and for the Delaware River valley specifically. It is currently home to the headquarters of several Fortune 1000 companies, including major telecommunications company Comcast and food service company Aramark. In addition to those industries, the main economic sectors in Philadelphia include higher education (notably the University of Pennsylvania), tourism, financial services (the Philadelphia Stock Exchange is the country's oldest), and manufacturing. The Federal government (specifically the United States Mint and the Federal Reserve Bank), and the City of Philadelphia are both major employers in the city.

According to the Bureau of Economic Analysis, Philadelphia has the eight-largest economy (measured in GDP) in the United States. At the same time, Philadelphia has a poverty rate that is more than double that for the entire nation (about 12%): one in four, or 25%, of Philadelphia residents live in poverty as of 2017. The median household income is \$39,770, more than ten thousand dollars less than the national average.

Philadelphia utilizes the “strong mayor” form of mayor-council government, wherein the mayor, elected at-large, has executive authority on behalf of the City. The mayor thus has the authority (among other powers) to appoint members of City boards and commissions without City Council’s approval. The Council is made up of seventeen members serving four-year terms, ten who are elected by district and seven who are elected at-large. Philadelphia has voted solidly Democratic in presidential elections since the late 1930s, with over 82% of the vote going to the Democratic candidate in 2016. All mayors of Philadelphia elected since 1952 have been members of the Democratic party.

Cooperatives have a long history in Philadelphia, starting with the founding of the Philadelphia Contributionship of the Insurance of Houses from Loss by Fire, a mutual insurance company founded by Benjamin Franklin in the mid-1700s and still in operation today. Philadelphia was also the birthplace of many African American mutual-aid societies, as documented by W.E.B. DuBois. The first documented cooperative store on record was founded in Philadelphia in 1829. Cooperatives have been actively developing in Philadelphia for hundreds of years, paralleling the history of cooperative development in the United States with major peaks in the 1930s and 1970s. Philadelphia is even home to some of the earliest municipal government advocacy on behalf of cooperative development, beginning with the 1985 creation by Philadelphia City Council of the Cooperative Advisory and Development Council, a group

that worked to “assist the development of worker, housing, and consumer cooperatives” (Philadelphia Area Cooperative Alliance, n.d.). The Philadelphia Area Cooperative Alliance (PACA) was formed in 2011 and is a vocal advocate for and developer of cooperatives, among other local agencies. PACA actively participated in the public hearings called for by the Philadelphia City Council, outlined in the next section.

4.3.2.2 Timeline and key players

Philadelphia’s cooperative support began in 2012, with the adoption of a resolution inspired by the UN’s International Year of Cooperatives. Four years later, in 2016, the City Council authorized a public hearing to learn more about cooperative development needs and resources that could be used to develop them. Inspired by the results of that public hearing, the City Council held another hearing specifically about employee ownership in 2018, although the discussion at this second hearing was excluded from analysis because it ended up exclusively focusing on Employee Stock Owned Plan companies, not worker cooperatives. The following table provides a detailed timeline for the course of events in Philadelphia.

Table 11. Philadelphia timeline.

Date	Event	Notes
January 26 2012	City Council meeting	Adopted resolution “Recognizing Cooperatives’ Contributions to Economic and Social Development during the International Year of Cooperatives.” Presented to the Philadelphia Area Cooperative Alliance.
June 6 2016	City Council meeting	Adopted resolution authorizing the Committee on Commerce and Economic Development to hold public hearings “regarding the development of co-ops in the City of Philadelphia and initiatives to support their growth.” Passed without discussion or comment.
October 24 2016	Committee on Commerce and Economic Development public hearing	<p>Hearing combined in same session with a hearing on the City’s procurement and local bidding preferences.</p> <p>Testimony from panels of several Philadelphia area cooperatives and local and national cooperative development organizations.</p> <p>Council-members expressed interest in better understanding Employee Stock Owned Plans (ESOPs)</p>
November 2 2017	City Council meeting	Adopted resolution authorizing the Committee on Commerce and Economic Development to hold a hearing “regarding initiatives to support employee ownership, including as a retirement strategy for small business owners.” Passed without discussion or comment.
April 2 2018	Committee on Commerce and Economic Development public hearing	Hearing combined in same session with a hearing on an ordinance to reconsider Philadelphia’s minimum wage.

4.3.2.3 Prominent codes and categories

The table below provides an overview of the ways that people talk about worker cooperatives in Philadelphia since 2012. The table is based the categories and perspectives described in the first section of this chapter.

Over the course of the discussion about worker cooperatives in Philadelphia, all actors speak extremely favorably about them, highlighting both the quantifiable ways cooperatives have positive impacts on the local economy and the less tangible impacts on cooperative members' quality of life. Philadelphia's extremely high levels of poverty and relatively low median income are the looming backdrop of the conversation, referenced by nearly all actors, including worker-owners who note that creating a cooperative seemed like the only way to overcome economic deprivation. Advocates and council-members alike point to the broad and long history of cooperatives in Philadelphia, with many different types serving different community needs, as exemplifying how cooperatives could expand and continue to provide ongoing positive benefits for the community. Government officials seem somewhat aware of initiatives occurring in other places, but mostly curious to learn more; advocates especially desire to replicate the New York City model of technical assistance, while also building capital financing into any future moves. The next section discusses major themes that come out of these conversations.

Table 12. Philadelphia – prominent codes and categories.

Perspective	Claims about cooperatives	Types of cooperatives	Government role in cooperative development	Economic context	Connections and comparisons to other places
Resolutions and recommendations	Quantifiable economic impacts on local economy; create jobs and wealth to increase tax revenue and address local social and economic problems	Currently operating “within a multitude of industries” including food, construction, cleaning Operate in areas of priority to City government such as child care, healthy food, jobs and training for immigrants	Recognition and verbal support for cooperatives, encourage residents to support them Potential use of “various policy tools” could be used by the city such as research, technical assistance, partnerships with anchor institutions, procurement preferences	High numbers of baby boomer retirees High levels of poverty	Long history of Philadelphia cooperatives highlighted References to NYC, Rochester (NY) and Madison
Government officials	“Increasingly important” economic venture	“Represent all different sectors of our communities, society, and our economy, all of neighborhoods” Personal family connections to cooperative transportation, agriculture, loan clubs	Think creatively about public investment and funding, especially using existing resources; not necessarily creating or funding cooperative-specific resources	Technological trends (app economy) Need to address poverty through social entrepreneurship and employment	Curious about how other cities are supporting coops References other countries

Table 12 (cont'd). Philadelphia – Prominent codes and categories.

<p>Cooperative advocates</p>	<p>Quantifiable impacts on local economy like number of jobs and revenue Business with “ownership ...rooted in the community”</p>	<p>Vary in type, size, service, sector “from neighborhood preschools” to food coops, housing coops, credit unions</p>	<p>Specific resources tailored to “unique needs” of cooperatives”: technical assistance and revolving loan fund between \$1-2 million</p>	<p>“Unconscionable levels of poverty in Philadelphia” that lead many people to drug-related activity High incarceration rates “The mainstream economy has not worked for many”</p>	<p>Same clause as Berkeley, Oakland, Santa Ana and Austin¹⁷ Requests for funding and technical assistance based off NYC “experiment” Also reference Madison, Denver, Rochester NY, Chicago, and Argentina</p>
<p>Worker-owners</p>	<p>Change people’s lives in a positive way and help them survive via meaningful employment</p>	<p>Speakers from a variety of co-ops: immigrant-owned construction coop, worker coop daycare, consumed-owned food coop, among others</p>	<p>Technical assistance at reduced rate or nominal fee Support for cooperative developers Recognition from city Council and ability to share their story</p>	<p>“Creating a co-op, it seems like our only way out of poverty” Exploitative and dangerous work conditions Gentrification and rising rents</p>	<p>N/A</p>

17 Cooperatives are “an effective tool for creating and maintaining sustainable dignified jobs...improving the quality of life of workers, and promoting community and local economic development, particularly for people who lack access to business ownership or even sustainable work options.”

4.3.2.4 Analysis

In identifying the codes which describe the discussion as outlined in the previous section, several general themes emerge, detailed below. These themes summarize how actors generally frame worker cooperative development in Philadelphia, and the city government's probable motivations in creating, supporting, and adopting actions to support worker cooperatives since 2012.

1. Worker cooperatives represent a method for addressing the city's biggest problems - particularly poverty - with minimal public investment. Worker cooperative members mention at the hearing that their business structure offers them, more than anything else, a way to survive, especially as recently arrived immigrants with little to no financial support: "When I see my co-workers desperate for work to put food on the tables to feed their families, I think of the power of co-ops." Hearing this may be particularly appealing for the Council-members who express preference for being "very creative in thinking about investment tools" and concern when thinking "about sort of responsible social investment...particularly where public dollars" are concerned. As elected officials, they hope that they can help foster collaboration between the organizations present at the hearing, and that this will catalyze worker cooperative development in and of itself. The Office of Commerce will "continue to provide support," for worker cooperatives, "as [it] will for any and all Philadelphia businesses," not necessarily treating them differently when providing grant funds or other city business development incentives, and admitting it "can only fund a limited amount" for this any new economic development practice.

2. For all participants in Philadelphia's conversations about worker cooperatives, entrepreneurship, especially "social" entrepreneurship like worker cooperative start-ups, is an important tool for reducing poverty. Public and private actors in Philadelphia describe

cooperatives as an already existing, but underutilized, form of “social entrepreneurship” that could address the city’s dire economic problems, especially high poverty and joblessness levels, while also being part of an innovative and creative economic development strategy. One Council-member remarked “when I decided to run for City Council, I often talked about how poverty is the number one issue here in the City of Philadelphia, and one of the best ways to address poverty is entrepreneurship.” Worker-owners noted that creating their own jobs and companies was the only way out of exploitative labor conditions, further remarking “creating a co-op, it seems like our only way out of poverty.”

3. Adaptation to a changing economy is a chief concern, especially for council-members, and worker cooperatives are seen as an innovative strategy to address the unknown. On the one hand, advocates and Council-members bring up the impending retirement of baby boomer small business owners, which threatens to affect the local economy as well as community life. Council-members seem curious about the prospect of worker cooperative conversions “saving” these businesses from closing forever. Other national economic trends are also discussed, such as high tech and the app economy, and Council-members ask how worker cooperatives could help Philadelphia adapt.

4. Council-members value their personal connections to and understandings of cooperatives, and this may be key to why the discussion is happening when it is, why it is happening at all, and why there is so much enthusiasm. Multiple council-members bring up their family’s own connections to cooperatives in general as well as some specifically operating in Philadelphia already. This adds an air of legitimacy to the entire discussion and reveals creates personal motivations for the politicians to support further worker cooperative development. As these personal connections are often coupled with positive assessments of cooperatives’

quantifiable economic impact on the city already, ostensibly the Council does not need much more convincing to move beyond their personal affiliations and show support for cooperatives.

On the whole, the City government in Philadelphia appears to be motivated to build upon a proven legacy of cooperatives in the city, and worker cooperatives' potential to create jobs and alleviate poverty for marginalized populations, ideally with some creative use of existing resources and little new public investment.

4.3.3 Boston, MA

Boston City Council Resolution, October 19 2016:

Whereas, Worker owned local businesses are accountable to the communities they serve and will never leave our city for a better tax incentive or lower wages somewhere else.

Cooperative developer and advocate, testimony from January 24 2017 public hearing:

We understand cooperatives to be inherently sustainable and resilient... All models of cooperative also create economic ownership and citizenship opportunities for people who otherwise would only engage the economy as consumers.

Worker-owner, testimony from January 24 2017 public hearing:

I think cooperatives are the best way to create ownership opportunities for immigrants... Converting to a co-op allowed us to rescue a good business and continue to develop a locally-owned, safe, just, and democratic workplace. This is the kind of business that should stay in the community.

4.3.3.1 Context

Boston is one of the oldest cities in the United States and is the capital of Massachusetts. As of 2017 Boston's population is 685,000, the hub of a much larger metropolitan area with a population of 4.5 million people. Major economic sectors in Boston include education, healthcare, high tech development and manufacturing, and tourism. The city benefits from the presence of the country's most famous universities across the Charles River in Cambridge (Harvard and MIT, among others), and is home to top academic and research and development talent. The median household income is higher than the national average by a few thousand dollars, at \$58,516 as of 2016. However, 21.3% or more than one-fifth of Boston residents live in poverty.

Boston has long been a point of entry for immigrants, including Irish, Italians, and Eastern Europeans, and currently 27.6% of the population of the City is foreign-born, many coming from Brazil, the Caribbean, and China (some neighborhoods have foreign-born populations over over 50%). Thirty one percent of residents speak a language other than English at home, compared to

the national average of 21%. Boston's politics are famously liberal and Democratic, and citizens voted overwhelmingly (80%) for the Democratic presidential candidate in the 2016 election. The city's government employs a strong mayor-council structure. City Council has thirteen representatives, nine of which represent districts and four who are elected at-large. By law, Boston City Council elections are non-partisan, and Councilors do not represent a particular party when elected (although they may be otherwise affiliated and are often members of the Democratic party). Councilors have no term limits and are elected every two years. City Council is responsible for acting as a check on the power of the Mayor's office (the executive branch) and approves the city budget, monitors city agencies, makes land use decisions, and makes other legislative decisions.

The city is home to many cooperatives of all kinds - over a dozen housing cooperatives and about the same number of worker-owned cooperatives as of 2018, according to the informal organization Bostoncoops.net. A variety of cooperative support and advocacy organizations work out of Boston as well, many established since turn of the 21st century. Many of these organizations were founded in recent years, such as the Boston Community Cooperatives, a housing cooperative organizing group founded in 2001, and WORC'N, the Worker owned and Run Cooperative Network of Greater Boston, founded in 2000. According to its website, WORC'N works to facilitate connections between existing cooperatives and raise awareness about the worker cooperative model, hopefully encouraging the creation of new-worker owned cooperatives. More recently, the Boston Center for Community Ownership, a non-profit consultancy focused on the cooperative ownership, was founded in 2012. Many of these groups submitted testimony and participated in the public hearings described in the next section.

Boston has played host to two major cooperative and alternative economic gatherings in recent years as well. In 2012, Boston was the site of the National Worker Cooperative Conference put on by the United States Federation of Worker Cooperatives. The New Economy Coalition held their Common Bound conference in Boston in 2014, bringing together people working in more “radical” forms of community and economic development. And in 2017 Boston was one of six cities (the others being Charlotte, Houston, Memphis, Milwaukee, and Minneapolis) chosen to take part in the Equitable Economic Development Fellowship program, jointly run by the National League of Cities, Policylink, and the Urban Land Institute (National League of Cities, 2016). This fellowship provides technical and educational assistance regarding key issues identified by the cities themselves; one of Boston’s key issues was employee ownership. These events played a role in amplifying the conversation about worker cooperatives at City Hall, as evidenced by the conversations outlined in the next section.

4.3.3.2 Timeline and key players

In early 2012, the Boston City Council passed a resolution recognizing cooperatives’ contribution to the local economy, inspired by the U.N.’s International Year of Cooperatives. Four years later, on January 24, 2017, as the result of a City Council recommendation, the City Council’s Committee on Housing and Community Development held a public hearing exploring the existing, and potential, role of cooperative housing and businesses in the city. While it’s not apparent why the Council became interested in the cooperative form, the hearing appears to be a way to gather research about cooperatives that could eventually be used to further encourage their development in the city. Some activity appears to have occurred regarding developing cooperatives since the public hearings took place. On a page that states it was updated in February 2018, the Boston City Council’s website provides information about employee

ownership and worker cooperatives and indicates that the city held three workshops specifically for people interested in forming worker cooperatives beginning in May 2017, with more to come in 2018. The following table provides a detailed account on the events occurring in Boston.

Table 13. Boston timeline.

Date	Event	Notes
March 7 2012	City Council meeting	Council passed a resolution (inspired by the UN International Year of Cooperatives resolution) recognizing the economic role of cooperatives in Boston, celebrating the city’s hosting the National Worker Cooperative Conference ¹⁸
October 26 2016	City Council meeting	City Councilors Baker and Zakim introduced a resolution ordering that the “appropriate committee of the Boston City Council hold a hearing to discuss the role of cooperative housing and businesses, SROs and micro-units.”
December 8 2016	Public hearing postponed	No reason given
January 12 2017	Public hearing rescheduled for January 24	
January 24 2017	Committee on Housing and Community Development public hearing	Testimony was taken from the city administration officials, advocates of housing cooperatives, employee owned cooperatives
May and June 2018	Cooperative development workshops: one on employee ownership, another on “Better Business through Cooperation”	Presented as a collaboration between Mayor Martin J. Walsh, the Mayor’s Office of Economic Development, the Greater Boston Chamber of Commerce, Women Entrepreneurs Boston, and the Roxbury Innovation Center.

¹⁸ In 2016, Austin, TX hosted the same conference.

4.3.3.3 Prominent codes and categories

The table below provides an overview of the various ways actors in Boston's discussions about worker cooperatives frame their relationship to economic development. The discussion about cooperatives in Boston is very broad, encompassing housing cooperatives as well as worker cooperatives, as the city expresses interest in both as valuable forms of community and economic development. The city conveys support for the development of all types of cooperatives in so far as they can fulfill the city's stated vision of creating "sustainable neighborhoods and a resilient local economy." Worker cooperatives specifically could be a form of economic development that create "dignified employment and sustainable growth" for low- and middle-income people particularly, who are being left out of the city's economic prosperity. Worker-owners and advocates emphasize the positive qualitative impacts of cooperatives on the lives of individuals and in communities, hoping that these arguments will encourage the city government to move beyond public hearings and offer cooperative-specific financial assistance (especially loan guarantees), small business assistance, and procurement opportunities. For the moment, city officials seem most interested in supporting these forms of "shared economic business models" via verbal support like the hearings and potentially existing funding sources (although that particular aspect of the discussion is mostly concerned with housing cooperatives). All actors acknowledge the power and impact of cooperatives at scales ranging from small Boston neighborhoods to other countries, and advocates cite many other cities' activity, in the hopes of inspiring the city government. Since the hearing, the city has put a page on its website where interested parties can find out more information and workshops about worker-ownership, city procurement contract procedures, loan information, and a map of local employee-owned businesses.

Table 14. Boston – prominent codes and categories.

Perspective	Claims about cooperatives	Types of cooperatives	Government role in cooperative development	Economic context	Connections and comparisons to other places
Resolutions and recommendations	Positive quantifiable impact on MA economy Create “good,” stable jobs that are more “equitable” and “sustainable” than other businesses Community accountability	Myriad of types, particular emphasis on references to cooperatives working towards sustainability (such as food, construction, energy, compost)	Recognize and congratulate cooperatives on their success and contribution to local economy Hold a hearing to discuss the role of cooperatives in “creating a more just, sustainable, and democratic Boston economy”	Displacement, rising rent, and flat wages as a result of “lack of democratic control and economic power among too many of Boston’s residents”	Reference to cooperatives operating at local, state, national, and international scales
Government officials	Mostly concerned with housing coops, make few claims about worker coops	Housing co-ops, “employee co-ops” and consumer co-ops	Promote “shared living and shared economic business models”	Vision of “dignified employment and sustainable growth” in the midst of an “unprecedented building boom” that is pricing out seniors, low- and middle-income residents and others	N/A
Cooperative advocates	Locally-rooted, resilient, sustainable, living-wage, democratically-run businesses	Discussion of many types as well as sub types (especially housing coop sub types) “Most important feature is that workers create an	Move beyond the hearing to offer financial assistance (esp. loan guarantees), small business assistance for cooperatives specifically	Need to foster businesses that will stay in the city and not relocate Seeking to build a “more just, democratic, and	“Local governments all over the nation” have been working to support cooperatives References to Richmond (CA), Madison, Minneapolis, Austin,

Table 14 (cont'd). Boston – Prominent codes and categories.

	Allow working people to build personal wealth	organizational structure that works for them”		sustainable economy” than currently exists	NYC, Cleveland, Rochester (NY), and Richmond (VA)
Worker-owners	More than a job: a safe, just, democratic work environment that allows them to grow personally and professionally	Many reference “jobs in the green economy”	Provide access to loan guarantees, funds for feasibility studies, technical assistance Procurement for local businesses, especially for low-income, underserved, and immigrant populations	Wealthy state, but high-income inequality Lack of access to affordable healthy food Need for better jobs and more ownership opportunities for low-income and immigrant workers Rising rent and lack of affordable housing	N/A

4.3.3.4 Analysis

In identifying the codes which describe the discussion as outlined in the previous section, several general themes emerge, detailed below. These themes summarize how actors generally frame worker cooperative development in Boston, and the city government's suspected motivations in creating, supporting, and adopting actions to support worker cooperatives since 2012.

1. **Cooperatives are a “sustainable” economic development model in multiple ways - social, financial, and ecological.** For the government, which proclaims its vision of the future economy is one of “dignified employment and sustainable growth” as the city develops, cooperatives are explicitly beneficial in that they create more “equitable” and “sustainable” jobs than other businesses and are more likely to remain in the places where they are established. The types of cooperatives that the government wishes to foster are explicitly related to sustainability issues, such as food waste, energy efficient construction, and energy production. For cooperative advocates as well, worker cooperatives allow low-income people to “build wealth” and have more stable long-term financial futures, increasing economic equity in the area. By directly tying the cooperative business form to a specific vision of a “green” economy, the city implies that worker cooperatives might be a way to address the three pillars of sustainable development at once: economic growth, environmental protection, and social equity.
2. **All kinds of cooperatives, not just worker cooperatives, are worth exploring as ways of addressing inequalities.** All participants in Boston's discussion about worker cooperatives, including government officials, cooperative advocates, and worker-owners, discuss the potential of developing worker cooperatives in tandem with and relation to

other forms of cooperatives, especially housing cooperatives. The cooperative form of ownership, no matter the good or service provided, appears to be an appealing way to address the most commonly cited social and economic issue: displacement of low-income people due to rising rents and flat wages. The commonly agreed upon idea seems to be that worker cooperatives could address low wages while housing cooperatives could address affordable housing issues and pursuing one without the other is not discussed as an appealing or necessary option.

The overall takeaway for Boston is this: the City views cooperatives as businesses that can fulfill city's vision of "sustainable neighborhoods and a resilient local economy," and a business model that could help alleviate economic inequality in the midst of the city's current economic boom.

4.4 NORTH

Two cities in the Northern part of the United States, Madison and Minneapolis, are in states with large numbers of cooperatives compared to the rest of the country, and both have recently elected to support worker cooperative development since 2012. They are both long-term Democratic strongholds, settled by similar ethnic groups in the 1800s, and the site of labor and protest movements, as well as home to state government (in the case of Minneapolis, it's not within the city limits, but close by). Since the Great Recession, both cities have grown about 10% in population, and have strong local economies.

However, beyond these similarities, Madison and Minneapolis are expressing support for worker cooperative development in different ways. Madison's approach since 2014 has been rooted in creating a cooperative development ecosystem, at arm's length from the city government, and is explicitly guided by recently revealed discrepancies in the racial and economic outcomes for the population. Minneapolis' discussion about cooperatives and subsequent support makes little reference to economic context, even as the city has the same percentage of people living in poverty as Madison. Instead, support for cooperatives is seen as a normal outgrowth of the city's history and past economic development efforts. After a long research process, and working with local developers, the City offers centralized technical assistance programming for cooperatives via its existing infrastructure (although it contracts out much of the work to existing organizations).

The case studies that follow reveal in detail how, even with similar contexts and histories, each city is guided by vastly different frameworks in creating worker cooperative development support initiatives, and this can lead to very different programmatic outcomes.

4.4.1 Madison, WI

Cooperative advocate, reflecting on the grant writing process and the city's initiative:

The fruits of the profits are going to the workers. In the big picture “the one percent, 99% picture” that is one of the few programmatic responses I can see to remedy that.

MCDC response to the Cooperative Enterprise Development Program's Request for Proposals:

MCDC aims to move beyond traditional business and charitable models that attempt to tackle issues of inequity. The voices and needs of those most affected by systems of poverty and racism will be central to our mission. This will encompass communities of color...those experiencing homelessness, those formerly incarcerated, queer and transgender communities. By uplifting and prioritizing the most marginalized of us, Madison can become a truly progressive and equitable city.

Mayor Paul Soglin, as quoted in Grassroots Economic Organizing:

We know that worker-owned businesses are more likely to provide living wage jobs and profit sharing to their members, and are less likely to leave the community they are in...we will be working with leaders, both in the labor movement and with established cooperatives in the area, to promote and grow the number of worker-owned businesses in Madison. I can't think of a better jobs program than this.

4.4.1.1 Context

Madison is the capital city of Wisconsin, located on and around the isthmus between lakes Lake Mendota and Lake Monona, about an hour's drive west of Milwaukee in south-central Wisconsin. As of 2017, about 250,000 people live in Madison, drawn to the city for employment in Wisconsin state government and at the University of Wisconsin-Madison, its two main employers. Madison's population has grown rapidly in the past decade, increasing at a rate of about 10%. The local economy is largely influenced by the presence of a highly educated workforce coming out of the university. Large private employers include hospitals and clinics, bio-tech companies, insurance companies, energy companies, and small scale manufacturing companies. The city's median household income is \$56,464 as of 2016, roughly the national average, but not all of Madison's residents share in the relatively booming economy in recent

years, and the city's poverty rate is about 18% as of 2016. In 2015, one of the city's major employers, an Oscar Mayer factory, announced it was moving to Chicago by early 2017, cutting 1,000 jobs. At one point in the 1970s, the plant had been the city's largest private employer, and was considered a mainstay of the local economy (Newman and Mosiman 2015). The closure is a key part of the economic context in the discussion regarding Madison's worker cooperative development initiative.

While Wisconsin has been considered a "swing state" in Federal elections for the past decade, it has long been a Democratic-party stronghold, Madison included. Seventy-eight percent of Madison voters voted for the Democratic Presidential candidate in 2016 (Dane County Clerk 2016), compared to the state as a whole which voted 47% in favor of the Republican candidate (Wisconsin Elections Commission 2016). As the capital, Madison is the natural backdrop for many state-level political actions and protests, most recently and most notably a popular protest movement at the state house in early 2011, a kind of precursor to the national Occupy movement. Massive protests, perhaps attended by upwards of 100,000 people, were organized to protest the introduction of the 2011 Wisconsin Act 10, a budget bill that affected collective bargaining rights, retirement funds, and other matters of concern to the labor movement (Davey and Greenhouse 2011). The protests had a sizable impact on day-to-day life in Madison, with Madison and many nearby school districts cancelling classes at least one day. These events are exemplary of the tense political atmosphere in the state, with Madison as the geographic center of debate and conflict.

Madison has a mayor-council municipal government structure; the mayor is elected by citywide vote and the Common Council consists of twenty members elected by district, serving two-year terms. The current mayor is Paul Soglin, who has been mayor three separate times,

having been elected in 1973, 1989, and 2011. Soglin is currently serving his 22nd (non-consecutive) year as Mayor. Soglin is a seemingly ambitious politician, having been in the race for Democratic nominee for Wisconsin governor in 2018 (he lost in the primary). Notably for this discussion, Soglin was a founding member of Union Cooperative, a Madison-based taxi-cab worker cooperative, in the 1970s. His official biography on the City of Madison website notes that with regards to economic development, he “is reluctant to provide any tax breaks as an incentive to attract business. He believes that public investment in infrastructure, the arts and active and passive recreation is what attracts private investment.” As of 2014, Rebecca Kemble, a worker-owner at Union Cab cooperative, is also serving on the Council representing District 18.

According to the University of Wisconsin’s 2006 Report “Research on the Economic Impact of Cooperatives,” the state of Wisconsin is home to at least 649 cooperatives with about 19,000 employees, among the top seven highest concentrations of cooperatives in the country. Madison is home to a longstanding cooperative movement and is well known among the national cooperative community for having many operating cooperative businesses. As mentioned above, Madison is home to Union Cab, one of the longest running and most successful taxi worker cooperatives in the country. It has also been the location of Isthmus Engineering since the 1980s, as well as various food cooperatives and distributors such as Just Coffee Co-op. The city has also been host to cooperative gatherings and knowledge exchange events. On June 6-7 2012, the City of Madison and the University of Wisconsin Center for Cooperatives jointly hosted the Madison Cooperative Business Conference. The next section details the city’s recent efforts to support already existing cooperatives and create new ones, beginning in late 2014.

4.4.1.2 Timeline and key players

Madison's cooperative development initiative has unfolded over the course of many years, with proposals beginning in 2014 and reaching implementation stages in late 2017. What started as a friendly conversation between a local union leader and the Mayor has evolved into a multi-year, multi-stakeholder experiment in local coalition building. Interestingly, the Cooperative Enterprise Development Program is funded via the capital budget (rather than say, the city's operating budget) and due to this fact a couple of Council-members expressed opposition (mostly confusion) to the program when the Mayor first proposed it in 2014. However, the initiative has been renewed in the capital budget every year, albeit with annual reductions in allocated funding. As of 2018, capital improvement funds have already been distributed through two local nonprofits, resulting in business planning and other technical assistance programming, as well as a loan fund, both specifically for cooperatives. The city plans, as of late 2018, to continue funding the program for 3 more years, with the goal of making it entirely self-sufficient (funded by cooperatives and their allied organizations) starting in 2022.

Table 15. Madison timeline.

Date	Event	Notes
September 1 2014	South Central Federation of Labor community picnic	Conversation between the Mayor and the President of the SCFL, a local labor union, about NYC’s worker cooperative development initiative
September 11 2014	Board of Estimates meeting	Consideration of Mayor’s proposed 2014-2015 Capital Budget, brief discussion of \$1 million/5 years for worker cooperative development.
September 26 2014	Board of Estimates releases proposed capital budget amendments	Amendment proposed to “delete” the worker cooperative development project from the Capital Improvement Plan
September 30 2014	Board of Estimates meeting	September 26 amendment “put on file” and worker cooperative development program reinstated into CIP budget
October and early November 2014	Budget public hearings	No public comment on the item
November 11 2014	Common Council meeting	Approval of the budget included \$1 million in funding per year for five years for the “Cooperative Enterprise Development Program” (CEDP) to begin in 2016. Funding approved with the understanding that City staff would work over the coming year to understand, both internally in the City and with community stakeholders, how to design a successful program.
April 2015	Common Council elections	Union Cab worker-owner Rebecca Kemble elected to Common Council (among other candidates)

Table 15 (cont'd). Madison timeline.

September 16 2015	Economic Development Committee meeting	University of Wisconsin Center for Cooperatives (UWCC) and the SCFL outline proposal for the CEDP. Proposal based on meetings between approx. 20 local cooperatives occurring in August 2015.
November 3 2015	Economic Development Committee meeting	Presentation about Worker Cooperative Business Development Convening in Oakland attended by Alder Kemble, UWCC representatives, SCFL representatives, and Ruth Rohlich (DPCED Business Development Specialist)
November 10 2015	Common Council meeting	Approval of the 2015-2016 budget with inclusion of \$3 million over five years for the CEDP (\$600,000/year)
December 23 2015	Economic Development Committee meeting	Presentation of the program guidelines and draft request for proposals by Ruth Rohlich, City's Business Development Specialist. No substantive discussion on the item.
January 5 2016	Common Council meeting	First reading of the program guidelines and RFP
January 25 2016	Board of Estimates meeting	Second reading of program guidelines and RFP
February 2 2016	Common Council meeting	Approval of program guidelines and RFP
March 14 2016	RFP deadline	The Madison Cooperative Development Coalition (MCDC) submitted two complementary grant proposals to the City, one for technical assistance programming and one for a loan fund (largely written by the Madison Development Corporation). In the proposal and in final implementation, funding is split equally between the technical assistance proposal and the loan fund, resulting in \$300k per year for each side of the program. Working since early February, MCDC represented a cross section of local actors working in cooperative development, community economic development, labor unions, and community organizing. Since the MCDC was not formally organized at that time, Cooperative Network proposed to be the fiscal sponsor for the RFP application and initial stages of the project.

Table 15 (cont'd). Madison timeline.

May 11 2016	City of Madison meets with MCDC representatives	Discussion about the proposals
June 3 2016	Common Council	Staff recommend approval of the MCDC proposals
June 15 2016	Economic Development Committee meeting	MCDC representatives present proposal in depth and provide further detail for Council-members. Proposals approved by unanimous vote.
June 27 2016	Board of Estimates meeting	MCDC Proposals approved via consent agenda
July 5 2016	Madison Common Council meeting	Approval of MCDC proposals via consent agenda
Late July 2016	MCDC Meeting	Discussion of next steps to begin program implementation
	Madison Common Council meeting	Approval of 2016-2017 Capital Improvement Budget. CEDP funded at \$600,000 per year starting in 2018-2019, for 3 years.
December 2016	City releases 10-year economic development plan	Includes emphasis on worker cooperative development
Early 2017	Cooperative Network backs out as fiscal sponsor for MCDC	As a result, MCDC needs to find a new fiscal sponsor or become a legal entity to receive funding
During 2017	MCDC begins program implementation	MCDC hires staff, jointly paid by UWCC, to begin implementing program objectives such as providing technical assistance to cooperatives and other non profits in the coalition
September 12 2018	Finance Committee meeting	Presentation on progress of CEDP by Director of Planning and Economic Development. Recommends funding of \$300k per year for the years 2020, 2021 and 2022. Expectation that CEDP will be self-funding (from the community) after 2022.

4.4.1.3 Prominent codes and categories

The table below provides an overview of the ways people talk about Madison's Cooperative Enterprise Development Program (CEDP), as per the categories and perspectives described in the first section of this chapter. As the initiative is based in a capital budget item, some of the discourse occurred around the annual passing of the budget, and much of the rest is embedded in RFPs and responses, as well as program summaries and outreach materials.

The discussion and documentation about worker cooperative development in Madison deeply reflects the city's general political and economic context, and the ideological orientations and goals of particular politicians. Many of the comments about the benefits of cooperatives have to do with their tendency to remain in a place, and especially connected to a particular neighborhood. According to those involved in the initiative, these remarks are directly related to the closure of the Oscar Mayer plant in early 2015, which the Mayor found very troubling. In interviews, city staff claimed that the plant's shutdown also acted as a reminder of the negative sides to traditional corporations, making the Mayor's push for cooperative development that much easier for the rest of the Council to get behind. Other politicians had an influential hand in the initiative as well. In an interview, Alder Rebecca Kemble noted that her run for office in early 2015 was partially inspired by the 2011-2012 protest movements in Madison, as well as her own decades-long experience in the local and national cooperative movement; once she heard about the Mayor's idea for cooperative development, she felt the need to get involved and make sure the program actually happened. She claims that she helped to change the conversation within the Economic Development Committee to be more about stabilizing the city's tax base through internal development such as through worker cooperatives, and less about Tax Increment Financing districts and supporting big businesses. For both the Mayor and Alder Kemble, the

push for cooperative development is focused on achieving more economic self-sufficiency for the city, both in terms of decreasing reliance on large corporations and what is perceived to be a hostile state government.

Economic self-sufficiency specifically for marginalized communities is also a key part of the discussion about developing more worker cooperatives in Madison. One of the most catalytic events in the development of the initiative was the release of the report “Race to Equity” baseline report in late 2013, which revealed stark economic disparities along racial lines in Dane County, where Madison is located. The Mayor and city Aldermen were shocked by the results of the report and worker cooperative development came to be one of the ways that the City sought to address the disparities. This is evident in the way discussion about initiative focuses on the potential for worker cooperatives to create quality jobs in neighborhoods with few resources or services. When interviewed, city staff said discussions about where to house the CEDP - Community Services or Economic Development - revealed a tension between a “top down” charity-based model to address these issues, or one that would foster economic self-sufficiency. Staff also worked to incorporate social and racial equity and community organizing into the City’s 5-year economic development plan, “Connect Madison,” and to connect worker cooperatives specifically to achieving those goals. The Madison Cooperative Development Coalition’s response to the city’s RFP explicitly works to address the issues identified in the Race to Equity report through creating cooperative development expertise in community organizations that represent and work within Madison’s traditionally marginalized neighborhoods and communities. City staff have an explicit focus on “*not* doing ‘traditional economic development,’” and there is a movement towards “community-driven economic

development” that MCDC staff feel the worker cooperative development program moves the city towards.

Not insignificant to the conversation is Madison’s history of cooperatives and strong unions, which also fosters a self-confidence and self-awareness to the discussion. All actors discuss the city’s vibrant cooperative economy, where many different kinds of cooperatives are already thriving, not least of which is Union Cab, which the Mayor had a hand in creating in the 1970s. The cooperative jobs that exist in Madison are seen by politicians and staff as high-quality jobs that create wealth for families, pay “living wages,” and are sustainable in the long run. Thus, the city wants to increase the number of the jobs having these qualities by enhancing technical support available for cooperatives, rather than creating programs that might create high numbers of jobs but that don’t achieve the city’s economic development goals. Unions are also interested in trying new economic organizing models and working to create the kinds of businesses they want to see (as opposed to more antagonistic organizing), hence their early involvement in the initiative by suggesting the idea to the Mayor. In public discussions about the initiative, there is a sense that “all eyes are on Madison,” with the worker cooperative initiative putting its economic development framework in the national spotlight. The city exhibits an inward focus, seeking to deliberately craft a productive and successful long-term initiative, rather than replicating models from elsewhere (beyond an initial comparison with NYC).

Table 16. Madison – prominent codes and categories.

Perspective¹⁹	Claims about cooperatives	Types of cooperatives	Government role in cooperative development	Economic context	Connections and comparisons to other places
Documents such as budget items, economic development plans RFP, and info sheets	Businesses that will stay in the city Creation of living wage jobs with profit sharing	Cooperative ownership can be combined with unions	Provide support for converting existing businesses to cooperatives to ensure jobs stay in the city Provide funding for technical assistance, financing, community organizing and building a cooperative pipeline Enabling entrepreneurship as a source of upward mobility and financial independence for marginalized people	Renewed urgency to address income and racial inequalities Strong existing cooperative economy and resources “Madison’s economy is changing”: becoming more complex, innovative, private-sector oriented	Reference to Chicago (New Era Windows) as a successful example of cooperative conversion
Government officials	Create and provide family supporting, living wage jobs via profit sharing Businesses that will stay in the city and have a lasting impact	Many cooperatives and cooperative developers already existing in Madison, have lots of experience to draw upon	Need to make budget and policy decisions through an “equity lens” Work with labor movement and established	Vision: “City needs to connect economic growth and economic equity” Some have bigger vision creating a self-sustaining “solidarity economy” in Madison	Process initiated because Mayor and SCFL leaders had heard about NYC initiative and Mondragon union coop organizing in the U.S.

¹⁹ Articles in the media were also consulted but ultimately, I found the perspectives in the articles actually represented cooperative advocates, and thus the codes from the discussion are included in that row of the table above.

Table 16 (cont'd). Madison – prominent codes and categories.			a	State and federal funding cut, need for community economic independence	Staff refer to Madison as the “envy” of other cities in terms of cooperative dev. Unique initiative when compared to other cities because of general fund borrowing for CIP Attended conferences in Oakland and Austin, referenced NYC initiative
MCDC Coalition members and other cooperative advocates	Improved earnings and working conditions Create necessary and culturally relevant services where they are needed - specifically neighborhoods	Very diverse types of cooperatives already existing Strong emphasis on joining unions and cooperatives in singular model Develop relationships between cooperatives, and between cooperatives and community organizations (“break down cultural barriers and build community ties”)	Deep skepticism of top-down, charitable approaches to economic development City needs to listen to underserved communities Need to “raise up neighborhood rather than just provide good jobs” City’s vision is “bold and commendable”	“Vibrant existing cooperative economy” Stark racial and ethnic divide in Madison must be addressed Community organizations already thinking about cooperatives even if they’re not developing them Need to reduce competition and instead foster collaboration and trust between community organizations	N/A

4.4.1.4 Analysis

In identifying the codes which describe the discussion as outlined in the previous section, several general themes emerge, detailed below. These themes summarize how actors generally frame worker cooperative development in Madison, and the city government's suspected motivations in creating, supporting, and adopting actions to support worker cooperatives since 2012.

1. For relevant actors in Madison's cooperative development initiative, consensus and collaboration are more important than a quick fix. Both public and behind-the-scenes discussions (according to interviews with key participants) reveal the desire to foster a program in which the ethos is "collaborate not compete." There is a cohesiveness to the way both cooperative advocates and government officials talk about the benefits of cooperatives, the economic context, and what the government's role should be in developing cooperatives. This is partially because of the deep personal connections and political ideologies of the politicians involved, as well as the approach taken by both the community groups and the city staff in developing the program guidelines. While the process has taken a long time, city officials and community members appear in no rush, wanting to conduct this experiment in a way that ensures long term positive results, and secures the legacies of all who are involved.

2. The origins, continued existence, and unique structure of Madison's cooperative development initiative are due to politicians' personal interest in the project. The Cooperative Enterprise Development Program probably would not have existed if it weren't for the initial key support from the Mayor, and continued push from Alder Kemble, who ran on ensuring the program would come to fruition. The collaborative spirit of the entire initiative, as discussed above, is a direct result of the trust and encouragement provided by the city's

politicians in developing the cooperative development program. While the design of the program and its implementation are a risk for the city, being a creative new venture not only locally but nationally, the support of key politicians like the Mayor and Alder Kemble have enabled the community groups and staff involved to take their time in developing the program. Furthermore, politicians see the program as part of their legacy, and a desire to make Madison a leader in this type of development underscores the rhetoric surrounding it.

3. All actors see worker cooperatives as a crucial component in addressing newly revealed racial and economic disparities occurring in the midst of the city's current economic prosperity. The uneven spatial and racial distribution of wealth in Madison is highlighted as a huge problem, especially in the context of the city's relatively high population and economic growth in recent years. Discussion about the worker cooperative initiative frames worker cooperatives could be a major way for the city to address its issues and create more shared prosperity, especially in particular neighborhoods, especially because cooperatives are seen as being rooted in place and providing jobs and services that have the potential to benefit not only the city at large through increased tax revenue and economic stability, but specific neighborhoods.

On the whole, the discussion in Madison is one in which the City seeks to foster the creation of a self-sustaining cooperative development ecosystem, in order to create businesses and enrich neighborhood-scale economies in a way that will address the city's racial and economic disparities.

4.4.2 Minneapolis, MN

Council-member, introducing a resolution supporting cooperatives in 2014:

We sometimes even take for granted the cooperative movement in Minneapolis because it's so pervasive. It's so much a part of almost every corner of the city, and we have so many different types. But today we want to recognize a very important week that's coming up, where our local recognition can be joined by national recognition. And that's because the week of September 8 2014 marks the first time the National Cooperative Business Association Purchasing Cooperative conference and the annual cooperative conference will be held concurrently [in Minneapolis].

Cooperative advocate, at City Council meeting in 2014:

Cooperatives are operating in every sector of the world economy, and they're also in nearly every country in the world. So it's not just a small business model, it's not just a quaint community development model, it's actually serious business.

Mayor, Press release about development of cooperative support program, 2016:

Our city's vibrancy has been made possible by the entrepreneurial nature of its people. It is imperative that we at the City, innovate and adapt our policies and programs to keep our economy growing. Co-ops are a trademark of our economy and C-TAP is an attempt to support further creation of an already successful business model.

4.4.2.1 Context

Minneapolis is the largest city in Minnesota, with a population of about 450,000 and together with its “twin city” of St Paul (the state capital) and nearby suburbs, forms a metropolitan area of about 3.5 million people as of 2017, and one of the largest economic centers in the American Midwest (Census Bureau 2018). The population of Minneapolis has grown by about 10% since 2010.

The city’s economy is highly related to and interdependent with the regional’s agricultural economy, being the site of milling facilities, rail and trucking, food and agricultural products, and machinery production. Other major sectors of the city’s economy include banking and financial services, publishing, education, high technology, and health care. The median household income in Minneapolis is \$52,611 as of 2016, about the national average at the time. However the city has a high rate of poverty compared to the national average, with around 21% or one in five

Minneapolis residents living in poverty. According to the 2010 U.S. Census, White Americans make up the majority of the city's population, especially descendants of German and Scandinavian immigrants to the area (48% of the total population). More recently other immigrants from Somalia, Southeast Asia, and South America, among other places, have called the city home. Minneapolis has a sizable African American population as well (18%).

Minneapolis politics have long been Democratic, and the city is currently a stronghold of the Democratic-Farmer-Labor Party, an affiliate of the national Democratic Party. Minneapolis has a weak mayor-council type government, with thirteen Councilors elected by districts (called wards), and one at-large mayor who has some powers such as the ability to appoint the Chief of Police. Twelve out of the thirteen Councilors were affiliated with the DFL as of 2013, making the party a dominant force in local politics. In the last presidential election, the city's citizens voted 79% for the Democratic presidential candidate, and 11% for the Republican candidate. Citizens have an active role in neighborhood governments in Minneapolis, which are an unusually powerful component of city governance, especially during the time of the Neighborhood Revitalization Program (NRP) (1988-2009). Implemented just after the end of the "co-op wars" (discussed in Chapter 2 of this thesis) the NRP enabled city funding to be used to fund the creation of some of the city's longstanding cooperative businesses, especially food cooperatives.

As discussed in Chapter 2, Minneapolis is the home of a longstanding and sometimes fiercely political cooperative movement. Like its neighboring state of Wisconsin, Minnesota as a state also has a rich and long cooperative history. As of 2006 there were over 1000 cooperatives operating or based in the state, employing more 46,000 people. According to the City of Minneapolis, there are over 100 co-ops in Minneapolis: 37 of those are just registered addresses (not necessarily active), 35 are housing co-ops, and the rest are cooperative businesses, including

23 consumer co-ops and 10 worker co-ops in a variety of industries, mostly small-scale and service-oriented. The City’s inventory of cooperative support resources found 7 organizations supporting cooperatives operating in the City as of 2016.

4.4.2.2 Timeline and key players

In 2014, the City of Minneapolis passed a resolution recognizing and supporting cooperatives, and named the week of September 8, 2014, as “cooperatives week.” Between 2014 and 2016, the city’s Office of Community Planning and Economic Development conducted an internal review of how the city was supporting cooperatives. In April 2016 the Office released its report at an event called “State of Co-ops in Minneapolis,” and has since been offering classes for people interested in forming cooperatives.

The following table provides a detailed account of the events occurring in Minneapolis.

Table 17. Minneapolis timeline.

Date	Event	Notes
August 29 2014	Minneapolis City Council meeting	Council passed a resolution (inspired by the UN International Year of Cooperatives resolution) recognizing the history of cooperatives in Minneapolis, celebrating the upcoming National Cooperative Business Association's 2014 Purchasing Cooperatives Conference and Annual Cooperative Conference being hosted in the city that month, and declaring September 8, 2014 as "cooperatives week." About a dozen worker-owners and cooperative advocates were present and spoke on behalf of the resolution.
2014 - 2016	Office of Community Planning and Economic Development staff conduct internal review of programmatic support for cooperative development	Not clear what prompted this internal review.
April 20 2016	State of Co-ops In Minneapolis event, launch of Cooperative Technical Assistance Program (C-TAP)	Presentation on the report published by Minneapolis Office of Community Planning and Economic Development
2016-2018	C-TAP classes	Ongoing classes on business planning for people looking to start cooperative businesses

4.4.2.3 Prominent codes and categories

The table below provides an overview of the ways people talk about cooperative development in Minneapolis, as per the categories and perspectives described in the first section of this chapter. Minneapolis is a particularly interesting case study because it is the site of both an official City Council resolution and a modified city program. Therefore, the themes below highlight discourse expressed in legislative settings as well as in cooperative development implementation and programming material.

Table 18. Minneapolis – prominent codes and categories.

Perspective	Claims about cooperatives	Type of cooperatives	Government role in cooperative development	Economic context	Connections and comparisons to other places
<p>Resolutions, staff reports, presentations, program information sheets</p>	<p>“Values-driven” and “rooted in community self-determination”</p> <p>Democratic control and mutual ownership</p> <p>Quantifiable impact on international, U.S., state, and city economy</p> <p>Unique tool for “economic empowerment”</p> <p>Governed by principle “concern for community”</p>	<p>Variety of industries and types, including “hybrid” and “shared services” in addition to consumer, producer, worker, housing</p> <p>Many related to food</p>	<p>Use cooperatives as an economic development tool to reduce poverty, increase innovation, community building and ownership, and local investment</p> <p>Provide funding for cooperative developers to offer technical assistance to people seeking to create cooperatives or in existing cooperatives</p> <p>Track number of cooperatives and potential cooperative members assisted</p> <p>Research and understand cooperative business development needs</p>	<p>Long history of cooperatives in the city and the state - specific references to 1870s, 1930s, 1970s</p> <p>State is a pioneer in terms of coop laws and development</p>	<p>Comparison to not only other countries and cities but also the region (Upper Midwest)</p> <p>Reference to UN’s International Year of Cooperatives</p>
<p>Government officials</p>	<p>“Take community empowerment to the next level”</p> <p>Business model where people share resources, strengthen community</p>	<p>Variety of industries</p> <p>“Barrels to beer and everything in between”</p>	<p>Show support for cooperatives b/c they bring honor to the city</p> <p>Imperative that city innovate and adapt policies to keep the economy growing</p>	<p>“Co-ops are a trademark of our economy”</p>	<p>State is a pioneer in cooperative development</p> <p>First in the nation to create investment co-op</p> <p>“Explored international and national best practices”</p>

Table 18 (cont'd). Minneapolis – prominent codes and categories.

Cooperative advocates	“People-powered” Inherent values of solidarity, equity, self-help	Variety of industries	N/A	Potential to transform blighted buildings and create jobs through cooperative investment	“Cooperatives operate in every sector of the world economy, in every country in the world”
Worker-owners	Create connections between producers and consumers	Representatives from a variety of industries: bike, investment, food, cafes, bookstores	Help “cooperatively minded entrepreneurs” navigate legal and technical aspects of starting a co-op	N/A	Cooperative development funds providing loans for co-ops across the country
Media	Popular business model in rural America	Large-scale co-ops agriculture co-ops like CHS and Land O’Lakes Rural electric co-ops	Help people turn values-driven, “grassroots” start-up ideas into successful businesses, help them navigate city bureaucracy	Reduce poverty and increase racial and ethnicity diversity in co-op ownership	References to Madison, NYC

The discussion about cooperative development in Minneapolis focuses on the way the municipal government can build on the success of already existing cooperatives in the city. Council-members point out that “it’s almost easy to take for granted the cooperative moment in Minneapolis because it’s so pervasive,” and that the city’s relationship to the national cooperative movement (in the form of hosting conferences) is an “honor” for the city government. Cooperative advocates, in turn, remind the city council that cooperatives are driven by “people-first” values and an inherent “concern for community,” values that have resulted in better neighborhoods, “empowered” community members, and enhanced community connections.

There is no explicit mention of the city’s broader economic context either in the 2014 City Council resolution or subsequent programmatic materials from the City’s business development program. However, the discussion implies that creating new businesses, especially cooperatives which are a “trademark of our economy,” and an “already successful business model,” as the Mayor is quoted as saying, will ensure that the city’s economy can remain innovative and growing. Rather than being seen as a risky or uncertain venture, the move to create the C-TAP program is seen as truly a natural extension of the services the city already provides for other types of businesses.

4.4.2.4 Analysis

In identifying the codes which describe the discussion as outlined in the previous section, several general themes emerge, detailed below. These themes summarize how actors generally frame worker cooperative development in Minneapolis, and the city government’s suspected motivations in creating, supporting, and adopting actions to support worker cooperatives since 2012.

1. Cooperatives are a part of the city’s economic growth strategy, not a threat to it. For cooperative advocates and government officials, the unique structure and values of cooperatives make them an ideal business model, as they address both community and neighborhoods economic needs, and local social values. There’s no hint of anyone involved in the discussion seeing cooperatives as part of anything beyond the city’s economy as it already operates, and cooperatives are not talked about as being radical, but rather as extremely normal. Partially this is due to the city’s history of cooperatives, where they are indeed “pervasive.” City officials frame the future of the economy as rooted in “innovation” and “growth,” and as cooperatives have been around in the city since its founding, they are naturally a part of the economy going forward. Advocates reinforce this viewpoint when they talk about the significance of cooperatives as “serious business,” both in Minneapolis and elsewhere, and more than just a “quaint community development model.”

2. Successfully supporting cooperatives requires a deliberate, careful approach, and original research. Cooperatives are not unknown in Minneapolis, and the city government has fostered their development in many different ways over the years, notably through the Neighborhood Revitalization Program. However, the City’s Department of Community Planning and Economic Development undertook an extensive, year-long research project to understand both the state of cooperatives in the city and the support resources available for them, before launching their own program, C-TAP (Cooperative Technical Assistance Program). Creation of the C-TAP appears to represent a bold yet careful initiative on behalf of the city department, rather than a response to a demand from citizens or the city government.

On the whole, the discussion in Minneapolis reveals a city government that seeks to continue to build upon past success of cooperative businesses in the region, without re-evaluating or

adjusting the role or purpose of the cooperative business model in the local and regional economies.

4.5 SOUTH

Only one city selected for study in this thesis is in what could be considered the “South”: Austin, TX. Austin is well known for being “weird,” and even in this study it presents somewhat of an outlier. Simultaneously bold and innovative, yet hesitant and cautious, the public discourse about cooperatives in Austin portrays a communal self-consciousness, as well as an odd sense of satisfaction with the status quo. While actors in other cities often reference Austin’s years-long, high profile saga of actions in support of cooperatives, as well as the city’s relatively high levels of enthusiasm for the business type (incredible as it continues despite myriad governance and personnel changes), analysis reveals a city government that is happy to provide verbal support without necessarily changing the way it does, or handles, business.²⁰

4.5.1 Austin, TX

Mayor, Austin City Council meeting in 2012:

Thank you all for coming down today. I tell you, until today I didn't know that we had 29,000 cooperatives in the United States today and they provide two million jobs. Isn't that amazing? I know we've got a bunch here in Austin, Texas, because I know that my wife and I belong to at least two of them. That's a good start.

Cooperative developer, Economic Opportunity Committee meeting, 2015:

The primary purpose or focus of the report is really looking at first of all measuring the economic impact of cooperatives generally in the city, which is the first time this has ever been done despite the fact co-ops have been a part of the Austin economy since the late 19th century.

4.5.1.1 Context

Austin is the capital of Texas, incorporated in 1839. As of 2017 the Austin-Round Rock Metro area had approximately 2,115,827 people living in it, ranking the 11th most populous city

²⁰ Partially this may be the limitations put upon Austin’s city government by the government of the State of Texas, also located in Austin; many locals gripe that if Austin has a good legislative idea, the state government is bound to nix it eventually, and this attitude may result in a more cautious approach than would result if the state and city governments were more politically aligned.

in the country. As of 2017 it was one of the fastest growing cities in the United States. The median income in 2016-adjusted dollars is about \$60,939, somewhat higher than the national median of \$55,322 (American Community Survey, 2017). At the same time, Austin's poverty rate was 16% in 2017, slightly higher than the national average of about 12%. Traditionally Austin's economy has been centered around state and county government agencies as well as the University of Texas. However, the city has had a significant technology industry as well since the 1990s, and has a growing cultural, entertainment, and tourism sector, famously embodied by festivals such as South by South West, founded in 1987.

Austin's municipal government has a "council-manager" structure, where the mayor has roughly similar powers to the ten council-members (who are elected by district), and the City Manager acts as the city's chief executive. Austin and the surrounding county (Travis) are often colloquially referred to as "blue dot in a red state," with roughly 50-60% of votes in presidential elections cast for Democratic candidates in recent decades, compared to much lower levels in other parts of Texas.

Austin is currently home to approximately 45 cooperative-type businesses, in a variety of industries, but primarily concentrated in food, service, housing, and credit unions (financial cooperatives) (Cooperation Texas, 2016). Cooperatives have had a notable presence in the city for at least one hundred years, since the University Co-op (a student supply store) was founded. Like many places in the United States, co-ops experienced periods of resurgence in the 1930s and in the 1960s and 1970s. A notable moment in Austin's cooperative history was the Austin Community Project (ACP), a federation of consumer coops, working collectives and associated farms. ACP was formed in 1972 out of conversations occurring at the University of Texas at Austin. Its purpose was to "help create and maintain a cooperative community in Central Texas"

centered around the production and distribution of local, organic food (Dickerson and Meachem 1977, p. 27). Although the ACP collapsed within five years,²¹ remnants of it remain, including Wheatsville Cooperative grocery (which now has two stores), and numerous housing cooperatives affiliated with the student population of UT Austin, such as College Houses and the Inter-Cooperative Council Houses. Also surviving in its wake was the Austin Co-op Link, which worked to connect and strengthen local cooperatives, which operated from 1977 to 1997 (Ross, 2013).

More recently came the development of the Austin Cooperative Think Tank (ACTT), founded in 2010. The ACTT grew out of discussions between members of Austin-area cooperatives who were seeking to increase collaboration within their sector, and more recognition for cooperatives in the regional economy. Influenced by the events of the 2008 “Great Recession,” and the subsequent Occupy Wall Street movement in 2011, the ACTT eventually developed into the Austin Cooperative Business Association (ACBA), funded partially by the National Cooperative Business Association and partially by local cooperative businesses and housing cooperatives (Austin Cooperative Business Association, n.d.). The ACBA became a trade organization for cooperatives in 2014. Cooperation Texas, a non-profit focused on developing cooperatives, was also part of the organizing occurring at this time, and when it folded in 2015 its assets were transferred to the ACBA. Together the people involved in the ACTT, Cooperation Texas, and the ACBA put on three annual Austin Co-op Summits in 2013, 2014, and 2015, bringing together cooperative owners, advocates, developers, and researchers from around the region and around the country. These organizations also helped host

²¹ The ACP fall out appears to have had similar characteristics to the co-op wars of the Twin Cities, such as a conflict over which products to stock and who to serve. ACP also had capital and financing issues.

the National Worker Cooperative Conference, organized by the U.S. Federation of Worker Cooperatives, in Austin in 2016.

4.5.1.2 Timeline and key players

Austin City Council began expressing support for cooperatives in 2012 with a resolution honoring the UN's International Year of Cooperatives. In 2014 the Council started asking the City Manager to explore how the City could support the development of cooperatives more concretely. Two years later, in 2016, results of a funded study came out, providing recommendations for the City. In 2017, the Economic Prosperity Committee and City Council requested that those recommendations be responded to and implemented; staff responded saying more funding was needed; and funding was recommended but was ultimately not allocated in the 2018-2019 City budget.

The following table provides a detailed account of the events occurring in Austin.

Table 19. Austin – timeline.

Date	Event	Notes
March 22 2012	City Council issues proclamation	Resolution proclaiming 2012 to be the “International Year of Cooperatives in Austin, Texas,” echoing the United Nations resolution of the same year. Local cooperative leaders, some involved in the Austin Co-op Think Tank, were the recipients of the proclamation.
June 10 2014	Minority/Women Business Enterprises Committee meeting	Discussion and approval of a resolution to support the development of cooperatives. The Executive Director of the newly-founded Austin Cooperative Business Association (Brian Donovan) appeared before the Council’s Minority/Women Business Enterprises Committee.
June 12 2014	City Council meeting	Approval of resolution supporting worker cooperatives via consent agenda. The resolution mandated the City Manager to look into ways the City might support cooperative development.
September 8 2014	City budget hearing	Adoption of a budget amendment of \$60,000 for the 2015-2016 fiscal year to fund cooperative development and marketing for cooperatives. Mayor voted no, all other council-members voted yes.
January 16 2015	Staff update to Council	Economic Development Department (EDD) issued an update on the June 2014 resolution, recommending that the City put out a request for proposals (RFP) to find a consultant to conduct research on how the city could fund, market, train, and support cooperative businesses, funded by the \$60,000 that had been earmarked in that year’s budget.
April 13 2015	Economy Opportunity Committee meeting	Discussion of suspending or restarting RFP process. ACBA and Cooperation Texas representatives encouraged the process to move forward. Process moved forward.
October 7 2016	Report presented to Council	EDD writes Memo introducing “Supporting Cooperatively Owned Businesses,” written by Morningside Research and Consulting.

Table 19 (cont'd). Austin timeline.	Economic Prosperity	Recommendation that the City implement various recommendations to support and develop the “best practices” identified
March 23 2017	City Council meeting	Adoption of a resolution directing the City Manager to recommend how to take steps to support cooperatively owned businesses, based on many of the wishes expressed in the Economic Prosperity Commission’s recommendation.
October 18 2017	Economic Prosperity Commission meeting	Recommendations presented by EDD staff to put \$75,000 towards outreach, advertising, and other assistance for starting cooperatives and converting businesses to cooperatives. EPC recommends these recommendations to be implemented in City budget. ²²

22 However, the amount was not included in the 2018-2019 budget adopted in September 2018.

4.5.1.3 Prominent codes and categories

The table below provides an overview of the ways people talk about cooperative development in Austin, as per the categories and perspectives described in the first section of this chapter. The table represents themes from the many ways in worker cooperative development has been discussed over the course of 2012-2018, including resolutions, recommendations, and staff reports.

Discussion about worker cooperatives in Austin centers around the positive impact cooperatives have had in the local economy, especially in terms of quantifiable local economic impact, and the potential this represents for addressing the city's perceived current economic and social issues. Many actors bring up the diversity of the cooperative landscape in Austin, with cooperatives operating in a variety of sectors. Many also make connections between worker cooperatives and other types such as housing cooperatives, which also have a long history in the city. Politicians like Mayors and Council-members over the years have expressed outright enthusiasm about being cooperative members themselves, even if they aren't cooperative advocates per se. The most important aspect of cooperatives in this discussion seems to be their ability to address community needs such as access to food and housing, and their role in providing high quality, high paying jobs for those who might be left out or priced out of Austin's economic growth. Comparisons to other places are limited to wanting to understand what other cities might be doing, before making a choice about implementation that's uniquely tailored to Austin's government structure and economic landscape.

Table 20. Austin – prominent codes and categories.

Perspective	Claims about cooperatives	Types of cooperatives	Government role in cooperative development	Economic context	Connections and comparisons to other places
Resolutions and recommendations	<p>Positive quantifiable impact on the economy, in form of number of jobs, revenue, assets</p> <p>Able to improve low-wage jobs and build wealth in communities lacking them</p> <p>More equal distribution of economic benefits than conventional businesses</p>	Myriad, from financial, electrical, whole, retail, hardware, housing, art, cleaning, schools, breweries, radio station, etc.	<p>Research what is possible to get a “menu of options” that could be used to modify existing programs or contract other organizations for services such as increased technical assistance</p> <p>Raise awareness about cooperatives</p>	<p>Reduce racial and economic segregation in the midst of an expanding economy</p> <p>Empower low- and middle-income people to build wealth</p> <p>Increase access to healthy food</p> <p>References to comprehensive plan which calls for creating more worker-owned businesses selling local products</p>	Use of some of the same text as Berkeley, Oakland, and Santa Ana resolutions
Government officials	General enthusiasm about how many cooperatives there are in USA	Enthusiasm about how many types of coops are in Austin	N/A	N/A	<p>Desire to understand “national best practices” before proceeding</p> <p>Aware of initiatives in Vermont, Minneapolis, Madison, Denver, Cleveland, and NYC</p>

Table 20 (cont'd). Austin – prominent codes and categories.					
	self-help, self-responsibility, equity, and social responsibility	housing cooperatives called out specifically, emphasis on worker cooperatives as “just one of many types”	support cooperatives Remove barriers to cooperative development	arising during times of need like the Great Depression	Self-awareness of national attention that Austin is receiving
Media	Summarizes claims in 2017 resolution text stated above	N/A	N/A	Highlights potential use of CDBG funding to address “food deserts”	Discusses Austin’s initiative in context of NYC, Richmond, NY and Cleveland

4.5.1.4 Analysis

In identifying the codes which describe the discussion as outlined in the previous section, several general themes emerge, detailed below. These themes summarize how actors generally frame worker cooperative development in Austin, and the city government's suspected motivations in creating, supporting, and adopting actions to support worker cooperatives since 2012.

1. For relevant actors, cooperatives could help address troubling economic trends. In Austin, worker cooperatives represent a form of economic development the city is interested in exploring as a way of addressing emerging regional economic trends, especially racial wealth disparities. Seemingly motivated by positive economic impacts local cooperatives have brought, as well as the ongoing existence of myriad successful types over the course of Austin's history, the city frames worker cooperatives as another tool in its toolbox to achieve already established goals such as those outlined in the city's comprehensive plan.

2. City officials and staff find it important to research what other cities have done, before taking next steps. While all of the actors seem to be very much aware of initiatives occurring in other cities, and the national attention that the actions the Austin city government is getting, Council-members and advocates alike are seemingly satisfied with both charting their own path. The discussion is enthusiastic yet tepid, and people avoid making proclamations of any bold moves before fully understanding what and how cooperative development support from the city would work.

3. City officials believe that Cooperatives have had a positive impact on Austin's economy without significant government intervention. The city considers worker cooperatives as one subset of "cooperative businesses" at large, which are themselves considered

in the context of many extant cooperative types in Austin. City officials understand the benefits of cooperatives as primarily economic, aiding in a fairer distribution of income and assets throughout the city. For worker cooperative advocates, the city can and does play a major role in supporting cooperative development via the act of listening to the cooperative business community, funding research, and exploring further options. As city staff recommend, funding could be allocated to modify existing programs and contract local cooperative development groups to provide technical assistance, but as this funding was not implemented in the city budget, it appears to not be a high priority for the Council at least at this time.

On the whole, the discussion in Austin is overwhelmingly enthusiastic in rhetoric but tentative in action, suggesting that the city government is somewhat satisfied with the status quo of both the local economy and cooperatives' role in it.

4.6 WEST

I selected three cities in California as case study locations for this thesis: Berkeley, Oakland, and Santa Ana. All three have municipal governments that have expressed support for worker cooperative development since 2012.²³

The first two initiatives I will discuss below, in Berkeley and Oakland (both located in the San Francisco Bay Area), have had similar trajectories. Interconnected groups of people in those cities appear to be working together on worker cooperative development initiatives, aiming towards essentially the same goals of official municipal recognition, as well as legal support, for worker cooperatives, in the form of city ordinances. These two cities are both home to many long-standing cooperative businesses and housing cooperatives, as well as historical leftist social movements, such as hippies, anti-War activists (including but not limited to the Vietnam war), students, and the Black Panthers.

It appears that the ongoing process to support and develop worker cooperatives in Santa Ana, CA, has been operating separately from, though in conversation with, the efforts happening in the Bay Area cities. Santa Ana is the capital of Orange County but often regarded as a predominantly residential suburb of nearby Irvine and Los Angeles, although recent demographic and political shifts may represent economic ones as well. The city recently elected its first Latino mayor and has a high concentration of people who identify as Hispanic or Latino. It is unclear how long the history of cooperative businesses in Santa Ana is, although members of local cooperatives as well as cooperative developers appear and speak at the public meetings where the initiative is being discussed.

²³ Richmond, CA, has been excluded from this study due to the fact that the initiative there was instigated by one mayor, who is no longer in office, and there was no comparable resolution or other public dialogue that occurred as part of it.

In terms of larger, state-level context, California is a significant region with regard to worker cooperative development initiatives. Of note is California Bill 816, passed on August 12, 2015. The new statute specifically defines the legal incorporation and operation of worker cooperatives, as well as particular potential tax benefits for such businesses. The concurrence of the passage of this bill may indicate larger political economic trends in the state, as well as better legal definition, and therefore improved operational and legal stability for cooperative businesses since 2015. It is also evidence of the presence and activism of many worker cooperative advocates in California, who worked to create and lobby for the bill.

4.6.1 Berkeley, CA

Note describing discussion, from the minutes of the August 6 2018 Berkeley City Council

Ad-hoc Subcommittee on Small Business meeting:

Cooperatives define Berkeley and should be highlighted as Berkeley's 'thing.'

Mayor, City of Berkeley, at City Council meeting:

Worker cooperatives present an opportunity for upward mobility at a time when our broader economic model creates broad disparity and inequality.

Cooperative advocate, City of Berkeley, at the Small Business Subcommittee meeting:

Worker cooperatives root economic development directly in the soil of community by distributing ownership, rather than concentrating it in the hands of a few.

4.6.1.1 Context

Berkeley is a major city on the East side of the San Francisco Bay Area of California, incorporated in 1878, and is currently home to approximately 120,000 people. The cities of Oakland and Emeryville lie to its south. The city has been strongly associated with radical student protest movements and hippie culture, particularly during the 1960s and 1970s. Berkeley is home to the flagship location of the University of California, which is also its top employer (23% of total city employment). Other major employers include the government agencies, laboratories, and healthcare providers (City of Berkeley, 2017), indicating that Berkeley's economy is largely based in professional and public services. The median household income in 2016-adjusted dollars is \$70,393 (American Community Survey, 2016), significantly higher than national median (\$55,322). Nineteen percent of people living in Berkeley were officially living in poverty in 2016, also higher than the national average of about 12% (U.S. Census Bureau). Berkeley's municipal government has a council-manager structure, where the mayor is the ceremonial head of the city and the chair of city council, which is composed of eight members

elected by district. The council appoints the City Manager, who acts as chief executive of the City. The last time the City of Berkeley voted more than 10% Republican for a presidential candidate was in 1988; in 2016, 90.4% of votes went to the Democratic candidate.

Berkeley is currently home to at least a dozen cooperatives, in a variety of industries and sectors, especially housing. About ten are worker cooperatives. Cooperatives have had a notable presence in the city since at least the 1930s. Food cooperatives have been a significant part of Berkeley's cooperative movement, as have student housing cooperatives, mostly affiliated with UC Berkeley. One of the most well-known cooperatives in Berkeley was the Consumers' Cooperative of Berkeley, which operated from 1939 to 1988, whose history and demise resembles the infighting and political distress exhibited in Minneapolis during the co-op wars (see the Conceptual Context, Chapter 2 of this thesis). A major player in the local worker cooperative economy since the 1990s is the Arizmendi Association of Cooperatives, a federation of worker cooperatives (at this point, bakeries and design/build companies) that works to develop and strengthen its own members and create new businesses. The Cheese Board is one of its most well-known worker cooperative members and the founding model for the network. The Network of Bay Area Worker Cooperatives (NoBAWC) was founded in 1994 as a way for members of Bay Area "democratic workplaces" to "address their isolation and build a regional worker cooperative movement" (NoBAWC.org, n.d.). It remains a key player in the Berkeley cooperative landscape. In the 2000s, non-profits such as the Sustainable Economies Law Center, the East Bay Communities Law Center have joined the scene as advocates and developers.

4.6.1.2 Timeline and key players

Berkeley's cooperative development initiative began in 2016 as a resolution supporting cooperatives and calling for the city government to develop legal mechanisms to support their

growth. Activists have had a heavy hand in the development of the ordinance since 2016 and have worked closely with government officials to craft a draft city ordinance that supports the specific needs and desires of those working to develop worker cooperatives. The City appears to be committed to passing the ordinance, although it remains to be seen what its final form will be.

Table 21. Berkeley – timeline.

Date	Event	Notes
February 9 2016	City Council meeting	<p>Resolution passed via consent agenda recognizing and supporting the development and growth of worker cooperatives. Resolution directed development of a city ordinance regarding worker cooperatives that addressed issues of city procurement policies, business permitting, taxes and land use incentives, and educational materials about cooperatives.</p> <p>The resolution included background materials developed by the SELC, and a draft version of the Oakland worker cooperative ordinance that the SELC had developed and presented to Oakland City Council.</p> <p>s, advocacy groups and residents sent letters in support and spoke at the meeting.</p>
September 2017	SELC blog post	Sustainable Economies Law Center published a draft version of the Berkeley Worker Cooperative Ordinance (based on what they had included in the February 2016 packet) and asked for public comment.
August 8 2018	Small Business Subcommittee Meeting	Discussed draft version of the worker cooperative ordinance, which had been updated based on stakeholder and general public feedback.

4.6.1.3 Prominent codes and categories

The table below provides an overview of the ways people talk about cooperative development in Berkeley, as per the categories and perspectives described in the first section of this chapter. The table represents themes from the City Council resolution and discussion, activist responses to the initiative, and conversations at the City Council's subcommittee meetings.

In Berkeley, the conversation about worker cooperatives centers on the idea that the City is an ideal location (more than other places, even) to support the development of worker cooperatives. From comments from activists like "Cooperatives define Berkeley and should be highlighted as Berkeley's "thing,"" and from politicians saying that cooperatives "reflect the City's values," it's little surprise that there is no vocal opposition to this turn in the City's economic development policy. For many people in the discussion around worker cooperative development in Berkeley, the idea of Berkeley being a national leader in this kind of economic development seems very natural.

Worker cooperative development is framed by the city as a way to help address local economic issues such as income inequality. The city government points out that worker cooperatives can help create and maintain quality jobs in a variety of sectors. Other essential qualities are the environmentally sustainable benefits to cooperatives, especially because of the industries within which they currently operate in Berkeley. Cooperative advocates, worker-owners and local residents agree with these sentiments, but also bring up the less tangible benefits worker cooperatives offer, such as higher potential for personal empowerment, professional development, and community bonding. While there is universal agreement that income inequality is a huge problem for Berkeley and the area, city officials frame the problem

as one of poverty and lack of “upward mobility.” Promoting the development of worker cooperatives as an economic development strategy seems to represent, for the city, a way of addressing economic and social issues by increasing wages, rather than altering economic and class structures. On the other hand, cooperative advocates, members and residents seek “community resilience,” in the form of altered economic structures and distribution of wealth. Residents in particular feel compelled to specifically call out certain industries such as the high-tech sector as being to blame for the region’s ills. Notably, cooperative advocates speak to civic pride as a way of convincing the City Council to support cooperative development, a hint that Council-members pick up on as they seek to innovate and lead the nation in this realm.

Table 22. Berkeley – prominent codes and categories.

Perspective	Claims about cooperatives	Types of cooperatives	Government role in cooperative development	Economic context	Connections and comparisons to other places
Resolutions and recommendations	Cooperatives offer “tremendous benefits” and have positive effect on local economy because they help create and maintain quality, stable jobs	Variety of industries, including “food service, health care, manufacturing, and communications”	Address unique challenges to cooperatives via Small Business Workplan, such as business permit application fees	Income inequality and poverty are a problem	References to “East Bay Cities” where “cooperative sector is growing” (Oakland, Emeryville, Richmond)
Gov’t officials	N/A	“Berkeley has many great cooperatives and... this reflects the City’s values.”	Incentives such as expedited land use review process, exemptions from taxes and fees in first year of operation	Need for “upward mobility” in a time of “broad disparity and inequality”	Eager to “make it happen” and Berkeley a national leader in this regard, being better than nearby cities such as Oakland
Cooperative advocates	Benefit to local economy and significant positive impact on workers’ daily experiences and personal development	Same as government plus sustainable woodworking and biofuel cooperatives	Same as city plus preference in city procurement, in effect “making cooperatives more mainstream”	Severe income inequality in the region since the Great Recession especially Need for local control over work and resources in order to increase “community resilience” and “empowerment”	Berkeley is going further than the other cities; other cities see Berkeley as a leader in this area Mention NYC, Madison, Minneapolis, Oakland

Table 22 (cont'd). Berkeley – prominent codes and categories.

				Impending Baby Boomer retirement	
Worker-owners	A structure that allows workers more self-determination and offers positive community benefits as well	Same types mentioned by city plus particular mention of sustainable landscaping cooperative	Offer specialized business services tailored to unique co-op needs	Need for an economy that fosters a “diverse, responsible citizenry” who can positively impact their communities	N/A
Residents	Unique power to “reintroduce democracy into our everyday lives”	N/A	N/A	High tech economy is leaving people behind, not distributing resources (especially in food sector) and wealth fairly	Amazement that Berkeley is not already doing this kind of thing; Berkeley would be a perfect place to become the “national capital of worker cooperatives”

4.6.1.4 Analysis

In identifying the codes which describe the discussion as outlined in the previous section, several general themes emerge, detailed below. These themes summarize how actors generally frame worker cooperative development in Berkeley, and the city government's suspected motivations in creating, supporting, and adopting actions to support worker cooperatives since 2012.

1. **All relevant actors are interested in fulfilling Berkeley's "destiny" of being a leader in cooperative development.** Few seem to disagree with the sentiment that Berkeley's unique social history and already cooperative businesses lend the city a legitimacy in becoming a leader in the national cooperative development movement. Advocates also seem to bring up the idea with the intention of invoking civic pride in elected officials, and it appears to be somewhat effective.

2. **Worker cooperatives represent a path of "upward mobility" via higher wages for residents living in poverty.** While during the course of their discussion about a potential worker cooperative ordinance, advocates call out specific industries and even the dominant form of exchange (capitalism) in the city and region as the reason for economic inequality, government officials appear eager to find ways to raise the economic floor. For them, the local economy is basically functioning well, it just needs to be driven by particular values, like higher wages for workers, while worker-owners and advocates value the potential political implications, such as increased democratic participation, for cooperative members (implied is that this increased participation could lead to an alternative system of economic and social exchange).

Overall, the city government may be motivated to develop worker cooperatives because they represent a way of capitalizing on economic models that have already proven themselves to be successful in the region, and because cultivating them gives the city positive recognition for adopting an innovative economic development strategy without necessarily having to directly address other aspects of the city's economy.

4.6.2 Oakland, CA

Resident, Oakland, at City Council meeting:

So this is my favorite thing I've ever seen here.

Resident, Oakland, at City Council meeting:

Because Oakland deserves better.

Worker-owner, at City Council meeting:

As we increase our awareness of how food and things are made, how far they come from, how they get here, how much waste and destruction happens in the process, the more we must re-imagine and create sustainable alternatives for ourselves. That most of the things can and should be made right here in and around Oakland, and cooperation must be our mission.

Council-member, City of Oakland, at City Council meeting:

[We can create an economy in which] the better the business does, the better the people do. Instead of what's been going on in the U.S. for so long, which is the money, even as the business improves, not ending up in the hands of the workers.

4.6.2.1 Context

South of Berkeley and across the Bay from San Francisco, Oakland is home to more than 400,000 people, making it the third largest city in the San Francisco Bay Area, after San Francisco and San Jose. Incorporated in 1854, Oakland was selected in the 1860s to be the terminus of the Transcontinental Railroad. From its earliest days, then, it has been and continues to be an important location for manufacturing, shipping and trade. The Port of Oakland is the busiest port in San Francisco Bay and one of the busiest in North America; much of Oakland's economy is related to trade, transportation, and manufacturing. Oakland's top employers include major health insurance companies, several public agencies, and transportation organizations (City of Oakland, 2017). In the 21st century, Oakland is becoming the preferred location for some technology start-ups and other businesses in the Bay Area, as other areas in the regional have

become more expensive (Rodriguez 2016). Since the end of World War II, Oakland has been a notable center of African American life and culture on the West coast and is well-known as the birthplace of the Black Panther party in 1966. It is also the home to a diverse racial, ethnic, and immigrant population, being about 24% Black or African American, 16% Asian, and 26% Hispanic or Latino (any race). Twenty-seven percent of residents were born in a foreign country.

As of 2016, the median household income in Oakland is \$57,778 (2016-adjusted dollars) (American Community Survey, 2016), only slightly higher than the national median of \$55,322. Twenty percent of people living in Oakland were officially living below the federal poverty line in 2017, significantly higher than the national average of about 12% (Census Bureau, 2018).

Oakland's municipal government has a mayor-council structure; the mayor is elected at-large and appoints the city administrator, who must be approved by the City Council, an eight-member, district-elected body. The City of Oakland votes overwhelmingly for Democratic candidates in presidential elections; a mere 4.8% of votes went to the Republican candidate in 2016.

Along with Berkeley and nearby San Francisco, Oakland is at the center of an active cooperative business landscape. Oakland is currently home to at least a dozen cooperatives, in a variety of industries, such as grocery and food, graphic design and printing, professional services, small scale manufacturing, and housing (NoBAWC 2018). Well-known and long-established cooperatives include a branch of the Arizmendi Bakery conglomeration and its regional cooperative support and development office (the Arizmendi Association of Cooperatives); newer start-ups include cooperatives such as the Mandela Food Cooperative (a worker owned grocery store) in West Oakland. The Network of Bay Area Worker Cooperatives, founded in 1994, is based in Oakland, as well as the Sustainable Economies Law Center, a group

that works to advocate for worker cooperatives, among other work to “cultivate a new legal landscape that supports community resilience and grassroots economic empowerment” (SELC 2018). The United States Federation of Worker Cooperatives (USFWC), a national organization that represents and advocates on behalf of worker cooperatives, was founded in and has remained in Oakland since 2004.

4.6.2.2 Timeline and key players

In Oakland, municipal efforts to support worker cooperative development took the form of a City Council resolution passed in 2015. The resolution recognized and praised the City’s Business Assistance Center’s efforts to provide resources on creating and converting businesses to cooperatives, celebrated the positive contributions of cooperatives individually and collectively for the city, and pledged the city’s support to cooperative development. Both before and after the resolution was passed, local advocacy group the Sustainable Economies Law Center wrote blog posts and press releases encouraging supporters to attend the city council meeting. They also analyzed the future of worker cooperative development potential in Oakland. In the time since the resolution was passed, work on a worker-cooperative ordinance similar to Berkeley’s is supposedly in the works, but it had not yet come to a public forum as of the end of Summer 2018 (Eskandari 2018).

Table 23. Oakland – timeline.

Date	Event	Notes
August 20, 2015	Resolution filed	“Resolution Supporting the Development of Worker Cooperatives in Oakland” submitted by Council-member Campbell-Washington and Council President Lynette Gibson McElhaney).
September 8, 2015	City Council Meeting	Resolution passed unanimously by Council. Favorable discussion by city council members. Large crowd of worker-owners and cooperative advocates testified in favor.

4.6.2.3 Prominent codes and categories

The table below provides an overview of the ways people talk about cooperative development in Oakland, as per the categories and perspectives described in the first section of this chapter. The table represents themes from the City Council resolution and discussion about supporting worker cooperative development in 2015.

Table 24. Oakland – prominent codes and categories.

Perspective	Claims about cooperatives	Types of cooperatives	Government role in cooperative development	Economic context	Connections and comparisons to other places
Resolutions and recommendations	Same as gov't officials, with added claim that coops are "democratically governed," allow people to "develop leadership and management skills"	Chain of worker coop bakeries Food system cooperatives	The Business Assistance Center can provide tailored resources and provide referrals to technical assistance providers, but won't take on the work themselves necessarily	Oakland has dire levels of income inequality Hub of worker cooperatives in the U.S. Impending retirement of baby boomer business owners	Oakland and Bay Area have high concentration of worker-owned businesses and cooperative developers in USA References to 2012 UN International Year of Cooperatives
Gov't officials	Business model that creates and maintains long term jobs with better wages and benefits, in key Oakland industries	Food cooperatives because they embody the "triple bottom line: good food, good jobs, and the dignity piece"	The City should help "normalize" worker cooperatives so that they proliferate The city should use them as a "workforce development model for formerly incarcerated individuals" City could provide lease space in city-owned buildings	Need for "sustainable jobs, that pay decent wages" and jobs with "dignity" especially for formerly incarcerated people	N/A
Cooperative advocates	Similar to gov't officials but with added claims that cooperative members have higher job satisfaction compared to other businesses	Green cleaning, bakeries	City should preference cooperative businesses in procurement; provide access to resources; generally support cooperative business model	The city needs "a new kind of economic development that puts people before profits, and builds local, sustainable wealth that stays in the community"	Oakland is a "national hub" for cooperatives and should continue to be References to NYC, Richmond (CA), Austin, Madison, Cleveland

Table 24 (cont'd). Oakland – prominent codes and categories.

Worker-owners	Workplaces with “dignity” and ability to build “community wealth and community health”	All types of cooperatives will be necessary to ensure a sustainable future because	N/A	Need for a “self supporting economy” where everyone has access to food and “meaningful and dignified work”	Focus on Oakland
Residents	“Community autonomy and economic empowerment” Co-ops are “the most efficient economic design”	Bakeries but also manufacturing	N/A	Critical of current spatial and racial patterns in the local economy “Beautiful commercial zones with boarded up windows” just “waiting to be gentrified”	Keep economic activity local and make it “not an option to send the work away”

In Oakland, the discussion about worker cooperatives and economic development is largely celebratory, an expression of recognition for an economic form that helps some residents prosper in spite of local and regional social and economic inequalities. Municipal resolutions and Council-members express hope that the local success of cooperative businesses (mostly in the food system) will continue, and further positively impact marginalized groups of people such as the formerly incarcerated. Council-members and advocates alike are excited about the idea of work being satisfying, empowering, and dignified for employees who are also owners, expressing a collective desire to shift economic development practice beyond the “get a job, any job” paradigm. The city’s language (via resolutions and Council-members) implies that it is interested in achieving these goals by supporting cooperatives to make them more “normal” and visible, and by giving them more access to resources such as physical space. worker-owners and cooperative advocates hope for concrete actions that give cooperatives preferential treatment. This seems to be because worker-owners and advocates portray the economic context differently than the city, arguing that there’s a need for a different economic paradigm altogether, whereas Council-members tend to imply that “sustainable jobs that pay decent wages” can address the problems at hand. So while all of the actors involved agree that worker cooperatives have transformative potential as an economic development tool, they disagree in the ways the city can develop the model and what the ultimate goals should be. For the city, worker cooperatives may represent a way of continuing business as usual (job growth and wage growth) but in a way that benefits more people, whereas for the worker-owners, advocates, and even local residents, worker cooperatives represent just the beginning of a societal transformation they’d like to see the city support.

4.6.2.4 Analysis

In identifying the codes which describe the discussion as outlined in the previous section, several general themes emerge, detailed below. These themes summarize how actors generally frame worker cooperative development in Oakland, and the city government's suspected motivations in creating, supporting, and adopting actions to support worker cooperatives since 2012.

1. Cooperative advocates and city officials agree that a major goal of the city's economic development strategies should be to create work that gives all people dignity and respect.

Council-members are inspired by the work they see cooperatives doing in achieving what they describe as the "triple bottom line," a contribution to the community that goes beyond providing a service or creating jobs. Cooperatives are seen as valuable by Council-members because they provide people, especially marginalized people such as the formerly incarcerated or those living in deep poverty, with a dignified life and a way to (re)integrate into society. This is portrayed as a departure from the city's previous attempts at workforce development or business creation, as expressed specifically by cooperative advocates. While Council-members are reluctant to criticize the region's economic structure in the way that local residents do (who point out the spatial and racial inequities occurring in Oakland's neighborhoods), they also seem eager to embrace a new economic model and support it in both verbal and concrete ways.

2. The city government sees value in validating and celebrating worker cooperatives and hopes that vocal support will help create more of them.

The resolution text praises the cooperative business model extensively, but at the same time little has been done since the resolution passed to make concrete changes to support worker cooperatives. It seems as if the city officials at the time hoped that recognition could be a catalyst.

3. City officials seem proud of the city's existing cooperative economy, and the potential for Oakland's efforts to be a model for other cities. Advocates are quick to point out the existing positive contributions of cooperatives to Oakland's economy including famous examples, and the potential for cooperatives to have a positive transformative effect on the city's food system. City officials seems persuaded by arguments about Oakland's potential to lead the country and draw upon existing infrastructure and cooperative support resources in the area to do so.

Overall, the motivation of the Oakland city government seems to be that it seeks to normalize the worker cooperatives business model because it offers good wages and good jobs to people that need them.

4.6.3 Santa Ana, CA

Resident, City of Santa Ana, at a City Council meeting, 2017:

And there's always been a vibrant, and I say vibrant, underground economy of those below the low income community, in particular among the immigrant population, that they're not consuming social services because they're not eligible. They make their own economy to support their family. And that's important part of the notion of how people survive in this city and are part of the economy and part of the fabric.

Mayor Pro Tem, at a City Council meeting, 2017:

A lot of the folks we've been working with are trying to move beyond the traditional means of employment, but trying to be sustainable and self-sufficient. And I think that's a goal that the city hopes and wishes for our residents and our community as we move forward, not just a traditional capitalism, and basic corporate America, and small business. But giving them the opportunity to have ownership, and really create opportunities not only for them for their communities as well.

Worker-owner, testifying at a City Council meeting, 2017:

The city has great needs, and if you get the cooperatives to flourish, we will have better families in this city and [sic] we ask for your support.

4.6.3.1 Context

Santa Ana is the landlocked capital of Orange County in Southern California. Home to approximately 330,000 people, it is currently the second largest city in the county after Anaheim. Founded in 1869, Santa Ana became the terminus of the Southern Pacific Railroad by offering the company land, free right of way, and a depot. Santa Ana was also home to a significant World War II training U.S. Army base, and Santa Ana's population grew after the war ended when veterans remained in or moved to the area. The city considers its downtown to be historic and its current Strategic Plan includes movement to revitalize and improve the downtown area. Santa Ana's top employers in 2017 include public agencies, such as the County, the school district, the community college, the city, and the county court. The largest private employers include Johnson & Johnson and the Yokohama Tire Corp. The Santa Ana Freeway (Interstate 5), formerly called Firestone boulevard and the first direct car route between Santa Ana and Los Angeles (Electric

Railway Historical Association, n.d.) runs through the city and many private companies locate nearby to take advantage of its access to the rest of the region.

As of 2016, the median household income in Santa Ana is \$54,062 (American Community Survey, 2016), very close to the national median of \$55,322. However, the per capita income is estimated to be considerably lower, at about \$17,040. The city has a relatively high population density for the United States, about 11,900 people per square mile: residents of Santa Ana are living in close quarters, with many people in one household working to contribute to their annual income. One in five (21.2%) of Santa Ana residents are living at or below the federal poverty line in 2016.

As of 2017, a large majority (more than 77%) of Santa Ana residents identified as Hispanic or Latino (the vast majority being from Mexico), and very few identified as White non-Hispanic (9.2%). This represents a dramatic change from 1960, when 69.8% of Santa Ana residents identified as White non-Hispanic, and only 24.6% identified as Hispanic or Latino. Santa Ana is also a multilingual city: as of 2017, more than 82% indicated they speak a language other than English at home, significantly higher than the national average of 20%.

Santa Ana's municipal government has a council-manager style structure, where the mayor is the ceremonial head of the city and the chair of city council, which is composed of six members elected by ward. The council appoints the City Manager, who acts as chief executive of the City. Santa Ana, unlike the rest of Orange County generally, had twice as many voters registered as Democrats than Republicans in 2012, although Hilary Clinton won more than 50% of the county-wide vote for President in 2016.²⁴

²⁴ Generally speaking, the county appears to be neither more Democratic- or Republican-leaning on the whole, but particular cities vary more widely.

Santa Ana does not have a documented history of cooperative businesses, and the Los Angeles region is said to “lag behind” other major U.S. cities, as of 2016 only home to four worker cooperative businesses (Molina 2018). However, Santa Ana Building Healthy Communities, a local community and economic development organization funded by the California Endowment (a Los Angeles based foundation), has actively been developing worker cooperatives like Cooperativa Tierra y la Dignidad and Manos Unidos Creando Arte since around 2014.

4.6.3.2 Timeline and key players

Santa Ana municipal government support for worker cooperative development has taken the form of a formal resolution adopted by City Council on August 1, 2017. The resolution consisted of a staff recommendation to adopt a resolution that outlines various ways the City Manager can support worker cooperative development, as well as a brief discussion of the definition of worker cooperatives, Santa Ana’s relevant economic conditions, and the resolution’s alignment with the Strategic Plan. Prior to that Council meeting, discussion took place about the potential for a worker cooperative ordinance at the Santa Ana Council Committee on Economic Development, Infrastructure, Budget and Technology in May 2017. Since the resolution was passed, staff have provided updates in November 2017 and January 2018 regarding implementing the resolution, and drafting a worker cooperative ordinance for the City to consider adopting. As of November 2018, there is no record indicating further public discussion since the January meeting.

Table 25. Santa Ana – timeline.

Date	Event	Notes
May 15, 2017	Council Committee on Economic Development, Infrastructure, Budget and Technology	Discussion on potential “Cooperative Business Ordinance” for the City of Santa Ana. Public comment from local worker cooperatives and advocacy groups.
August 1, 2017	City Council Meeting	Resolution 55B, “Adopt a Resolution Supporting Development and Growth of Worker Cooperatives in Santa Ana (Strategic Plan No. 3, 1).” Public comment from residents, worker-owners, and cooperative advocates.
November 13, 2017	Committee on Economic Development, Infrastructure, Budget and Technology	Staff update and further recommendations. Public comment from worker-owners and cooperative advocates.
January 8, 2018	Committee on Economic Development, Infrastructure, Budget and Technology	Staff update, indication they are drafting an ordinance

4.6.3.3 Prominent codes and categories

The table below provides an overview of the ways people talk about cooperative development in Santa Ana, as per the categories and perspectives described in the first section of this chapter. The table represents themes from the City Council resolution and discussion, and conversations at the City Council Committee meetings over the course of 2017-2018.

In Santa Ana, the conversation about worker cooperatives focuses on how they can be useful in terms of helping marginalized people (especially undocumented immigrants) access stable employment, which in turn would help address the city's social and economic needs. For the municipal government, cooperatives fit within economic development strategies such as developing small businesses and working with non-profits to create a "vibrant business climate." For cooperative advocates and worker-owners, cooperatives can be used as an economic development strategy to "address problems at the root" and help families make ends meet.

The municipal government seeks to use many traditional economic development tools, such as loans, marketing and promotion for small businesses, procurement contracts, and lowered business license fees, to incentivize and support cooperative development. Notably, at one point the Mayor Pro Tem, who initiated the cooperative development idea (and claims she got the idea from her boyfriend), proclaims that cooperatives are "no different from capitalism" and that this initiative is not about "subsidizing worker cooperatives, because I would just say too, we've subsidized the Chamber of Commerce, we subsidized these small businesses like Downtown, Inc., and these other businesses that are legit...it's just trying to bring everyone to the fold." This framing suggests that while cooperative advocates, worker-owners, and local residents emphasize the qualitative benefits cooperatives offer in terms of improved individual and collective quality of life, city officials appear persuaded to develop cooperatives on the

grounds that it could look a lot like traditional economic development, but with more positive social benefits. Worker cooperatives could be an entrepreneurial, values-based form of community economic development for the city. The city's resolution frames it this way: "Community economic development is a goal and a priority for the City and the City will work aggressively to encourage businesses to grow and prosper that provide living-wage jobs, reduce unemployment, and improve the quality of life for its residents."

For the City, cooperative development could help lessen the "public burden" and related city expenses resulting from social problems such as unemployment and "underground" businesses run by undocumented immigrants. They could also help address a looming mass retirement scenario wherein "businesses close or relocate out of the area impacting the local residents that work there." Worker-ownership is hopefully a means of encouraging "our residents that are willing to move forward towards upward mobility...so that they can not only invest within their own families, and help support their own families, but help support our community as the money continues to reinvest here." Thus, the City is motivated to capitalize on the power and potential of cooperatives, not only for their social benefit, but for their potential long-term implications for the city's coffers and economy.

Table 26. Santa Ana – prominent codes and categories.

Perspective	Claims about cooperatives	Types of cooperatives	Government role in cooperative development	Economic context	Connections and comparisons to other places
Resolutions and recommendations	Useful to address employment barriers and keep wealth and jobs in the city Profits are shared, and owners have an equal vote in the business	Small-business scale	Do the following as part of economic development department work: Provide: Marketing, access to financing, promoting cooperative model, procurement contracts, CDBG grant access, develop partnerships, lower business license fees	Santa Ana has low median wage compared to rest of OC Business owners are retiring without succession plans Health issues and food insecurity	Some of the same text as Oakland, Berkeley ²⁵
Gov't officials	Not seen as a new concept, but also therefore aware of some flaws Exciting and seen as "very cool"	Want to build on success of already existing, local coops and employee-owned businesses such as trash hauling	Create, incentivize, and support cooperatives in targeted areas of need	Desire to implement Strategic Plan goal of creating a "vibrant business climate" at what may be a pivotal moment Address retiring of small business owners and legitimization of "underground" businesses (often employing	Council-members proud to have "the opportunity to be a leader in Orange County" Staff indicate that Santa Ana's "local preference" of 4-7% in terms of procurement policies is actually "much higher than those proposed in

²⁵ Worker cooperative model is an "effective tool for creating and maintaining sustainable, dignified jobs; generating wealth, improving the quality of life of workers; and promoting community and local economic development."

Table 26 (cont'd). Santa Ana – prominent codes and categories.

				undocumented immigrants)	Oakland (2-5%) and Berkeley (2-6%)”
Cooperative advocates	Keep money in the local economy Sustainable business practices Can help families address economic and social needs	Coops focused on addressing local issues like food insecurity	General support for cooperative development	Need to “support...our most marginalized communities” and “address problems at the root” including income inequality, access to housing, parks, open space	Refer to Oakland, Berkeley, Austin resolutions Connections to Democracy at Work Institute (Bay Area), the Business Alliance for Local Economies “Understand the numerous benefits of cooperatives both first hand and nation wide”
Worker-owners	Self-sufficiency for families, fulfillment for individuals	In coops using recycled materials; selling organic food; sustainable landscaping	Resolution is a “good first step” City should develop “expert knowledge” and “create a cooperative ecosystem” Help people not be displaced or become a “public burden”	Need to help families prosper economically: “If you get the cooperatives to flourish, we will have better families in this city”	N/A
Residents	Transformative potential for “city-wide economic change,” ability to alleviate poverty and social issues	“Agriculture coops are going to be great for Santa Ana residents”	N/A	City needs jobs for youth, people with children, undocumented people; need to “stop capital flight that has plagued the city for decades”	N/A

Table 26 (cont'd). Santa Ana – prominent codes and categories.

	resolution texts; add that they can be “slow and inefficient” in times of crisis	provide services like housecleaning, baked goods or electrical work”			Echo govt officials: potential for Santa Ana to be a leader in cooperative development in Orange County
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4.6.3.4 Analysis

In identifying the codes which describe the discussion as outlined in the previous section, several general themes emerge, detailed below. These themes summarize how actors generally frame worker cooperative development in Santa Ana, and the city government's suspected motivations in creating, supporting, and adopting actions to support worker cooperatives since 2016.

1. Cooperatives could help residents become more economically self-sufficient in ways that previous economic development strategies could not address. A large concern in the discussion is the poverty levels in Santa Ana, particularly among racialized and undocumented people. Advocates and government officials alike agree that the worker cooperative model offers a way for families to earn a better and more legitimate living. The implication seems to be that the City could benefit from having to provide fewer services to help these populations and could bring in more tax revenue if “underground” businesses became legal cooperatives. Worker cooperatives thus appear likely to address issues that residents and officials agree have been neglected by past economic development practices.

2. The city sees cooperatives as a form of business like any other and seeks to support them in the same ways. City officials are quick to point out that they are not “subsidizing” worker cooperatives but finding ways the city can promote their development, and that this is “no different” than supporting other corporations. Officials express awareness of traditional economic development practices and seek to understand how they can be adapted for cooperative development. The conversation steers clear of associating cooperatives with alternative economic paradigms to capitalism and instead focuses on the similarities of the cooperative model to conventional business types, and the benefits to workers.

3. Santa Ana is following the lead of other cities pursuing worker cooperative

development. While civic pride is an important factor in the discourse in Santa Ana, there are also multiple direct and indirect references to initiatives occurring in other cities, particularly in California. It appears that the work begun in the Bay Area is having a spin off effect in Santa Ana. Demographic changes, particularly the influx of new immigrants who may have brought the cooperative model with them from their home country, may be changing Santa Ana's economic landscape. It will be interesting to see in the future if and how worker cooperative development progresses here.

Overall, Santa Ana's city government wants to support worker cooperative development to lessen the government's need to address the city's social problems and increase the vibrancy of locally-based small businesses and therefore the city's local economy.

4.7 META-CODES FROM EACH CITY

Below is a table outlining meta-codes from each city in response to my research questions:

1. How do public and private actors in the case studies frame the relationship between economic development and worker cooperatives?
2. What does this framing suggest about the motivations for each city government to create, support, adopt, and implement actions that support worker cooperatives?

My analysis finds that there are many commonalities to the discourse in each city, as well as some key differences, illustrating a nationally heterogenous set of motivations for worker cooperative development across the case study cities. Such a variety of intentions implies potentially several contemporaneous shifts in economic development practice, if any. I explore a comparison between these cases in further detail in the following Chapter.

Table 27. Meta-codes from each city.

City name	State	Overall analysis
Austin	TX	City is enthusiastic in its discussion about cooperative development, based on both the past successes and future promises of cooperatives' contribution to the local economy. Not in a rush to change policies or programs.
Berkeley	CA	City seeks to become a leader in cooperative development by capitalizing on existing cooperative infrastructure in the city. Interested in developing cooperatives as a way to address issues of income inequality.
Boston	MA	City views cooperatives as businesses that can fulfill city's vision of "sustainable neighborhoods and a resilient local economy." Hopes cooperatives could help alleviate economic inequality in the midst of economic boom.
Madison	WI	City seeks to foster the creation of a self-sustaining cooperative development ecosystem. Hopes this will create businesses and foster neighborhood-scale economies in a way that addresses the city's racial and economic disparities.
Minneapolis	MN	City seeks to continue to build upon past success of cooperative businesses in the region, without re-evaluating or adjusting the role or purpose of the cooperative business model
New York	NY	City desires to leverage existing worker cooperative development infrastructure to create well-paying, stable jobs, particularly for low-income workers. Hopes this will address extreme income inequality and poverty.
Oakland	CA	City seeks to normalize the worker cooperatives business model because it believes they offer good wages and good jobs to people that need them.

Table 27 (cont'd). Meta-codes from each city.

Philadelphia	PA	City seeks to foster development of cooperatives because they could be a low-risk and low-cost way for the city to address some of its social and economic issues, especially high poverty levels.
Santa Ana	CA	City wants to support worker cooperative development to lessen social problems and increase vibrancy of locally-based small businesses.

Chapter 5: Discussion

5.1 COMMON THEMES AND SUB-THEMES

The table below provides a summary overview of the most common, dominant themes and any major sub-themes (*in italics*) found in the discourse about worker cooperatives. These are described for the five coding categories used for all case studies, according each perspective studied. (Residents and media perspectives are excluded here due to limited data). See the beginning of Chapter 4 for a more in-depth discussion of the categories and perspectives, and individual case studies for more specific codes to each city.

Table 28. Overall codes and categories.

Perspective	Claims about cooperatives	Types of cooperatives	Government role in cooperative development	Economic context	Connections and comparisons to other places
Government documents	Create high quality, high paying jobs <i>Democratic ownership and management</i>	(Sustainable) food cooperatives <i>Small-scale, service-oriented businesses</i>	Recognition of cooperative contribution to the economy <i>Technical assistance, programming</i>	Poverty, economic and racial inequalities <i>Existing cooperative economy is doing relatively well</i>	National and international examples <i>Regional context, i.e. California or Québec</i>
Government officials	Enthusiasm and excitement about the model <i>Cooperatives will keep jobs in city and strengthen community ties</i>	Variety of industries, many food and sustainability related <i>Provide needed services in sectors where city can't or won't</i>	“Normalize,” support, and incentivize cooperatives <i>Provide material resources and programming</i>	Need equitable economic growth through entrepreneurship <i>Need to act in solidarity with most marginalized populations</i>	City as a leader in (cooperative) economic development, especially compared to other U.S. cities <i>Curiosity about other cities (before taking action)</i>
Cooperative advocates	Helps people develop skills and wealth, have a better life <i>Inherently connected to place, community, environment</i>	A variety of types and industries, structure is what matters <i>Businesses relating to sustainability</i>	Provide resources, technical assistance, funding <i>Economic development strategies of the past were inadequate</i>	“The mainstream economy has not worked for many” <i>But the local cooperative economy will “put people first”</i>	New York City is most cited example, amongst comparisons to many other U.S. cities and countries <i>Local and regional connections</i>
Worker-owners	Self-determination, self-sufficiency, self-help	Co-operatives specifically related to sustainability (food, waste, landscaping, etc.)	Specific support for cooperative businesses like reduced fees, preference in city	Working people have difficulty accessing food, non-exploitative jobs <i>Co-op economy will create citizens who can</i>	N/A

Table 28 (cont'd). Overall codes and categories.

	<i>Meaningful employment, better quality of life</i>	<i>Service industry like home care and cleaning services</i>	contracts, special technical assistance <i>Recognition</i>	<i>positively impact community</i>	
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5.2 PRAGMATIC INSIGHTS

One goal of this thesis is to reconstruct worker cooperative development initiatives as they have unfolded in the nine cities I have selected. However, I have another, larger goal with this thesis, which is highly related to my research approach. Rather than this being a purely theoretical, academic exercise, I intend my analysis to be useful for people who are interested in furthering worker cooperative development in their cities. To that end, based on my overall takeaways from each city, I have compiled the following pragmatic insights that the case studies offer us as a whole.

1. **City governments seek to develop worker cooperatives because they offer a “new” solution to current social and economic problems, especially poverty.** Almost all of the city governments studied here express lament the existence of poverty or income inequality in their region. How worker cooperatives could relieve poverty is not consistently expressed across all cities, but for many, the higher wages they can offer low- and middle-income people are a way of potentially offsetting rising costs of living. This seems to be especially true in cities with booming economies since the 2008 recession, such as Berkeley and Oakland, Austin, and Madison. For post-industrial Eastern cities, such as New York, Boston, and Philadelphia, worker cooperatives may offer a new solution to seemingly deeply entrenched, and worsening, disparities between the rich and poor. In general, this attitude reveals that worker cooperatives are viewed as a quick way for cities to improve their economies, without giving up what might be going well, and with minimal financial investment from the city governments. In many cities, it seems that the governments are delighted to have realized cooperatives exist, and eager to remind the populace that poverty can be solved through a “better” form of entrepreneurship. This

brings us to the next insight, which is that worker cooperatives are so unknown to city officials, that almost any attribute can and will be ascribed to them.

2. Due to a nearly universal lack of awareness of and familiarity with cooperatives, relevant actors assign to cooperatives a variety of definitions and meanings. Much of the discourse in each city is concerned with increasing municipal government recognition for cooperatives, especially amongst economic development department staff and politicians. Many I interviewed brought this up as a basic necessity for initiatives to be more effective going forward. Furthermore, as discussed in the conceptual context, worker cooperatives are an especially under-studied topic in academic research, particularly in the United States. While worker-owners describe self-determination and democratic decision-making as the chief advantages of being in a worker cooperative, government officials mostly promote the idea that they offer higher wages than other jobs currently accessible to low-income people (even if this may not always be the case, especially in cooperative start-ups). These gaps in understanding the benefits and potential of cooperatives could be advantageous for cooperative advocates or could subtly undermine advocates' goals. Either way the cities studied here exhibit tendencies to subsume cooperatives into capitalism and interpret them as (purely) capitalistic tools. If advocates have other economic goals, it might be unconvincing or counterproductive to mention them. At the same time, rare windows of political opportunity might provide moments where this mindset and dynamic can be challenged.

3. Recognizing politicians' personal connections to cooperatives, and opportune political moments, can be advantageous. In almost all of the cities I looked at, at least one politician expressed a personal connection to cooperatives, if not worker cooperatives specifically. In some cities, Council-members were exposed to the idea of cooperatives by

friends or constituents in their districts, such as New York, Santa Ana, and Oakland. In other cities, like Madison, Philadelphia, and Austin, politicians noted that they themselves are members of cooperatives, and this seems to have made the initiatives personally appealing, or even part of their political platforms. In Minneapolis, cooperatives are so locally prevalent that Council-members seem particularly familiar with them.

Even in the case that a politician doesn't have a personal connection to cooperatives, advocates made use of opportunities where it seemed like they might be open to them. The near universality of references to the U.N. International Year of Cooperatives makes it clear that the window of opportunity afforded by the authority of that body was useful for activists.

Cooperative advocates also seized upon the importance of important political moments, such as the election of de Blasio in New York, where his campaign rhetoric was advantageous to discussing particular claims about worker cooperatives. The corollary of this insight is that cooperative advocates might find running for office an effective strategy for cooperative development, as in the case of Madison's Alder Kemble.

4. Capitalizing on a sense of civic pride is a powerful tool. Advocates in every city seem to recognize the power of not only mentioning the success of cooperative development in other countries, but also cooperative development initiatives (however nascent) starting in other (rival) cities. Cities like Austin and Berkeley, where counterculture is a source of local pride, may be most amenable to cooperatives, but it appears that municipal politicians are convinced by the idea of being a leader in economic development (as has probably long been the case). The use of buzzwords like "creative" and "innovative" when applied to worker cooperatives may make them that much more appealing for city governments that are looking to draw national attention to their region.

5. Connections between worker cooperatives and sustainability are present, but underexplored. City officials recognize that worker cooperatives already operate in sustainability-focused initiatives, such as ecologically-conscious food, waste, construction, and landscaping businesses. Claims about the ability for cooperatives to raise the standards of living for lower-income people point to an understanding that cooperatives could address issues of social and economic inequality. Many cities express recognition that cooperatives are a successful business model, with financial longevity and solvency. These three recognitions point to a tying together of a classic understanding of sustainable development. The challenge for activists would be to decide if this notion of sustainability, focused on business and economic growth, is adequate to their goals - or if they see their cities' support for cooperatives as necessarily tied to creating a new economic and social order.

A cautionary note: because this thesis is concerned with what people said about cooperatives, I did not focus on what people didn't say or what was missing from the discussion. Interestingly, in all of the case study cities, there was essentially no opposition to the city's support of worker cooperatives. I found no record of residents testifying against the resolutions; no council-members spoke out against them. Advocates seemed excited to be (finally) getting recognition to complain if they felt the initiatives were inadequate or ill-fitting. I found no records of letters to the editor or opinion pieces against the initiatives. One might say this is due to the cities being overwhelmingly Democratic or liberal, or due to their already existing cooperative economies. Yet Santa Ana, for example, has until recently been a conservative stronghold, and has relatively few cooperatives. The City Councils meetings of cities like Berkeley and Austin are sites of great debate over other social and economic issues, with

passionate feelings expressed about both the pros and cons of affordable housing and soccer stadiums.

Perhaps these initiatives are merely flying under the radar, especially outside of cooperative circles. But if more cities begin experimenting with this form of economic development, the initiatives could also become more well-known, and potentially more controversial. On the other hand, controversy may be unlikely, given the history of bi-partisan support for cooperatives in the United States, their popularity in both rural areas and cities, and appeal to many different political ideologies (as discussed in the Conceptual Context chapter).

In the next and final chapter, I offer closing thoughts on the case studies, how they relate to the economic development frames discussed in the Conceptual Context, and how these cities' efforts may represent a shift in economic development practice.

Chapter 6: Conclusion

In this thesis I reconstructed and analyzed the public discourse in nine different case study cities. These cities – *Austin, TX; Berkeley, CA; Boston, MA; Madison, WI; Minneapolis, MN; New York, NY; Philadelphia, PA; Oakland, CA; and Santa Ana, CA* – at first glance seem quite different. They are located across the country and have widely different political histories. Yet they are all places where city governments have been pursuing the development of worker cooperatives since 2012. They are also overwhelmingly Democratic cities (in the partisan sense), and on the whole places where cooperatives are not an entirely new concept. Even more crucially, they are similar in being relatively wealthy places that are also loci of deep poverty. In many of these cities, government officials and residents alike point to “income inequality” as one of the defining problems of our time. Indeed, worker cooperatives are often discussed as remedies to the increasing gap between high-income and low-income job opportunities. Many of the cities are reckoning with de-industrialization, losing factories and associated jobs to other cities and other countries. Worker cooperatives are also viewed as a place-based solution to this issue.

While there are overarching similarities, the particular political and economic context in each city appears to strongly influence the discussion about worker cooperatives. In some cities, such as Madison, Minneapolis, Philadelphia, Oakland, Berkeley, and Austin, my analysis indicates a continuation or resurgence of support for worker cooperatives. These are cities with a history of cooperatives and cooperative activism. These are also cities that seek to declare themselves to be leaders in both cooperative development and cooperatives nationally or are at least self-conscious of their position as cooperative leaders. In these cities, worker cooperative

development is not necessarily a departure from the status quo, and seems like a natural fit for all relevant actors.

In other places, cooperatives are less deeply entrenched, and worker cooperative development may indicate a departure from previous economic development tactics. These include the cities of New York City, Santa Ana, and Boston. While worker cooperatives existed in all of these places before the worker cooperative initiatives began, on the whole they lacked cohesion and unity. Official government support seems to have galvanized both the development of cooperatives and political opportunities for reframing cooperatives' place in the local economy. In these places, cooperative development may indicate a radical departure from the status quo.

Across these cities as a whole, my findings do not point to a unified set of motivations or single way of talking about worker cooperatives. Worker cooperatives fit into a variety of economic development frameworks. The discussion in the case studies indicates the use of vocabulary from all of the economic development frames I identified in Chapter 2. Most consistently, worker cooperatives were identified as vehicles for creating “good jobs” and ensuring a city’s continued or future economic growth, especially in the form of small businesses. This rhetoric does not vary significantly from (neo-)liberal conceptualizations of community economic development, which values entrepreneurial solutions to social problems. It also has resonance with traditional economic development tactics such as attracting or stimulating the growth of businesses that could help drive a city’s economy.

Yet in some cities, worker cooperatives are more than high-paying jobs, they are also opportunities for individuals and communities to develop stronger connections to one another. This framing indicates a desire to use worker cooperatives as a component for developing a

city's "social economy" or "solidarity economy." Interviews in Madison and New York City in particular revealed that this was a political framework that was lurking just beneath the surface of much of the public dialogue and could be read between the lines. Perhaps worker cooperative development is being couched in terms that appeal to the status quo, even as some activists and politicians are working behind the scenes because of different motivations.

In terms of sustainability specifically, worker cooperatives are talked about in a variety of ways, from being "sustainable" in a broad sense (including mostly financially or lasting a long time), to achieving a "triple bottom line" of social equity, environmental protection, and economic growth. Community "resilience" was discussed with regards to cooperatives' ability to provide goods and services for those in need, and as a way for communities to prosper in the long term. It is used mostly in the sense of creating stability particularly for vulnerable communities; it's unclear if the term is used explicitly to refer to a community's ability to "bounce forward" in light of unforeseen future events. On the whole, sustainability does not seem to be a primary motivating factor or framing for understanding worker cooperatives; it is almost always recognized as a secondary one.

Reflecting on the discourse in each city, and the mosaic of case studies as a whole, I conclude here that worker cooperative development does represent a shift in municipal economic development practice, but a small and still incohesive one. On the one hand, government actors portray worker cooperatives as just another form of (capitalistic) business, with the capacity to create high-quality, well-paying jobs, and increase the city's tax revenue and economic activity. These are hallmarks of traditional and community economic development ways of thinking that do not incorporate the environmental consequences of economic activity. On the other hand, governments frame their support for worker cooperatives in light of the way cooperatives have

the potential to further support sustainable activity in areas such as food, waste, and social relations. Significantly, worker cooperatives are seen as inherently tied to place, both geographically and socially, an important characteristic of many visions of sustainability. In the sense that cities are discussing direct involvement in creating a particular type of business within the city limits, in lieu of attracting outside businesses and investors, it shows a willingness to engage in, and even directly develop, new concepts and conversations about how cities should participate in developing economies going forward. While these case studies do not indicate a unified movement amongst cities pursuing this form of economic development, they do offer hints at how cities are adapting their practices in light of increased calls for sustainability. Whether these changes will last or become the basis of new economic development paradigms nationwide, remains to be seen.

Appendix

Table 29. Data sources, documents analyzed, and reference documents.

City name	State	Initiative type	Documents analyzed	Reference documents	Interviews
Austin	TX	Resolutions, commissioned study, public hearing, staff recommendations	<p>March 22 2012 City Council Proclamation and comments during ceremony</p> <p>June 10 2014 MBEWBE Council Committee meeting agenda and minutes</p> <p>June 12 2014 City Council agenda and resolution</p> <p>September 8 2014 Budget adoption reading minutes</p> <p>December 12 2014 Economic Development department presentation at MBEWBE Council Committee meeting</p> <p>January 16 2015 Economic Development Department update</p> <p>April 13 2015 Economic Opportunity Committee meeting transcript</p> <p>March 15 2017 Economic Prosperity Commission recommendation</p> <p>March 23 2017 City Council resolution and minutes</p> <p>April 18 2017 NextCity article, "Austin Votes to Boost Worker Cooperatives"</p> <p>October 18 2017 Economic Prosperity Commission meeting minutes, recommendation, and staff</p>	<p>January 25 2013 Austin Chronicle article, "From Occupation to Co-operation: Co-op Think Tank organizes to expand member-owned movement"</p> <p>October 7 2016 Economic Development Department memo and report, "Supporting Cooperatively Owned Businesses"</p> <p>2016 Cooperation Texas report, "Beyond Business as Usual"</p>	N/A

Table 29 (cont'd). Data sources, documents analyzed, and reference documents.

			recommendations in response to Council resolution		
Berkeley	CA	Resolution, public hearing, discussion of an ordinance	February 9 2016 resolution, public comment, public testimony Fall 2017 - SELC's draft worker cooperative ordinance August 8 2018 Small Business Subcommittee agendas and minutes February 2 2016, August 13 2018 SELC blog posts	N/A	N/A
Boston	MA	Resolution, public hearing	March 7 2012 City Council resolution October 26 2016 City Council resolution and discussion January 24 2017 Public hearing testimony (written)	Greater Boston Chamber of Cooperatives reference supplied for January 2017 hearing	N/A
Madison	WI	Municipal budget item [Capital improvement budget] to fund non-government groups	September 11 and September 30 2014 Board of Estimates meetings 2015 Capital Budget and proposed amendments September 16 2015 Economic Development committee meeting minutes November 3 2015 Economic Development committee presentation 2016 Capital Budget 2015 Draft RFP and 2016 Final RFP	Metrics on program performance so far (supplied by MCDC)	City staffperson Councilmember MCDC staff

Table 29 (cont'd). Data sources, documents analyzed, and reference documents.

			<p>MCDC</p> <p>June 15 2016 Economic Development Committee meeting minutes</p> <p>Connect Madison: Economic Development Plan</p> <p>Laura Hanson Schlachter’s reflections on MCDC grant writing process</p> <p>2017-2018 Capital Improvement Plan</p> <p>2018 Cooperative Enterprise Development Program summary (DPCED) and program information sheet</p> <p>September 12 2018 Finance Committee meeting minutes</p> <p>2015 Grassroots Economic Organizing article, “\$5 Million for Co-op Development in Madison”</p> <p>October 31 2016 University of Wisconsin Press Release, “Madison coalition begins Cooperative Enterprise for Job Creation and Business Development program”</p>		
Minneapolis	MN	Resolution, changes to existing city programs	<p>August 29 2014 City Council agenda, resolution, and associated public comment</p> <p>April 20 2016 Presentation on State of Co-ops in Minneapolis</p> <p>April 21 2016 Press release from the city about State of Co-ops event</p>	<p>C-TAP Program curriculum</p> <p>C-TAP Professional services solicitation document</p>	N/A

			April 2016 “Cooperatives in Minneapolis: An Inventory and Assessment” report		
Table 29 (cont’d). Data sources, documents analyzed, and reference documents.					
New York	NY	Municipal budget item [City Council discretionary spending] to fund non-government groups	<p>January 18 2011 Speaker of Council’s speech at at the Association for a Better New York</p> <p>January 3 2013 NYC Council Announcement of Selected Participants for Worker Cooperative Development Training Program</p> <p>January 2014 FPWA report “Worker Cooperatives for New York City: A Vision for Addressing Income Inequality”</p> <p>February 11 2014 Shareable Cities Article, “Policies for a Worker Cooperative Economy in NYC”</p> <p>February 24 2014 Committee on Community Development agenda, report, minutes and transcript</p> <p>April 23 2014 City Council Response to Executive Budget</p> <p>May 15 2014 City Council budget hearing transcript</p> <p>July 11 2014 City Limits Op-Ed by Jennifer Jones Austin (Then-Director of FPWA)</p> <p>September 2014 Article in <i>In These Times</i>, “A Co-op State of Mind”</p>	<p>May 21 2014 City Council budget hearing transcript</p> <p>June 14 2016 FPWA’s response to NYC Budget</p>	<p>Former councilmember</p> <p>Chief of Policy for current councilmember</p> <p>Current and former members of NYCNoWC</p> <p>Former program director at the Center for Family Life</p> <p>A member of a group organizing around building NYC’s solidarity economy</p>

			<p>March 9 2015 Councilmember Helen Rosenthal’s Op-Ed in the West Side Spirit</p> <p>October 8 2015 Gotham Gazette Article</p> <p>workplace issues</p> <p>2015, 2016, and 2017 Worker Cooperative Business Development Initiative (WCBDI) annual reports</p>		
Table 29 (cont’d). Data sources, documents analyzed, and reference documents.					
Oakland	CA	Resolution, potentially new city bylaws	<p>September 8 2015 City Council meeting: Agenda, minutes, and Public testimony, Resolution text</p> <p>Press releases and East Bay Times op-ed written by the Sustainable Economies Law Center</p>	N/A	N/A
Philadelphia	PA	Resolutions and public hearings	<p>January 26 2012 City Council resolution and public comment</p> <p>June 6 2016 City Council resolution</p> <p>October 21 2016 Philadelphia Sun op-ed by the Philadelphia Area Cooperative Alliance</p> <p>October 24 2016 Public hearing testimony</p> <p>November 2 2017 City Council resolution</p>	April 2 2018 Public hearing testimony (excluded because it focuses on ESOPs)	N/A
Santa Ana	CA	Resolution	<p>May 15 2017, August 1 2017, November 13 2017, and January 8 2018 meetings: agenda, minutes, staff presentations, public testimony</p> <p>August 1 2017 Resolution 55B</p>	City of Santa Ana Strategic Plan (2015-2019)	N/A

			Voice of OC article (August 7 2017); Orange County Register article (July 31 2017)		
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Vita

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