

# What's the Role of Race in the New Economy Movement?

*For the movement to succeed, it must be led by the dispossessed—those for whom the mainstream economy has never worked.*



Fast food worker strike in Wheaton, Maryland. Food service jobs are among the worst-paid and lowest-quality in the country and have been a recent focus of social justice movements. December 15, 2013. Photo by Stephen Melkisetian.



***Penn Loh*** posted Jun 10, 2014

There has been a growing buzz about what kind of economy we need in order to address wealth inequality, environmental unsustainability, and lack of democracy. Clearly, many desire something new and dramatically different.

Perhaps this buzz around what many supporters call a “New Economy” will grow into a powerful social movement—one that we desperately need to transform the current economy. But whether it does so or not will depend critically on its color (or lack thereof).

Fortunately, we don’t have to look hard to find examples of communities of color both now and in the past that have advanced economic principles of fairness, sustainability, and democracy.

**Yet, despite this rich history of “new” economic ideas and practice in communities of color, why is there still such racial divide in today’s “New Economy” movement?**

In the latter 19<sup>th</sup> century, Blacks, as part of the Knights of Labor as well as their own organizations, were part of developing cooperatives both rural and urban. Marcus Garvey’s Universal Negro Improvement Association built a network of cooperative businesses (laundry, printing plant, groceries, restaurants, clothing factories, and shipping company) that in the early 1920s employed more than 1,000 people. By the 1930s, W. E. B. Du Bois envisioned building a network of cooperative businesses to advance development of the Black community.

Black Civil rights icon Ella Baker spent her early organizing career in the 1930s with the Young Negroes Cooperative League, supporting Black communities to develop cooperatives and self help groups. A group of Black women founded the Freedom Quilting Bee cooperative in 1966 in Alabama, selling quilts and then acquiring land for a sewing plant and for sharecropping families that had lost their land because of civil rights activism. At its height, the cooperative was the largest employer in Alberta, Alabama.

In 1985, Cooperative Home Care Associates was formed in the Bronx as a worker-owned cooperative made up of primarily Latina and Black women home care workers. It now has more than 2,000 employees and has become a certified B Corporation.

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## Who gets to opt out of our current economy?

One answer is that the New Economy movement is not immune to the racial challenges of other progressive movements. In Betita Martinez’s 2000 essay analyzing the anti-globalization movement’s battle against the World Trade Organization in Seattle, she asked, *How could there be so few people of color “when the WTO’s main victims around the world are people of color?”*

In a [2011 commentary](#) on the Occupy movement, Rinku Sen answered the question “Is Occupy Wall Street diverse enough?” by asking a different question: “How can a racial analysis, and its consequent agenda, be woven into the fabric of the movement?”

**For such a movement to succeed, it must also be led by the dispossessed**

For those who are inspired by the call for a New Economy, the same questions around race must be asked directly.

Despite the fact that some New Economy leaders are trying to diversify their organizations and working with communities of color, a quick look at the faces of the New

Economy reveals that it is still overwhelmingly white. And a further examination reveals an often privileged class perspective that assumes (white) people can create new alternatives out of scratch and effectively “opt out” of global capitalism.

But islands of alternative economic practices do not necessarily transform the sea that surrounds them. If a new economy is to be enjoyed by more than just those who can afford it, then it must address the racial (and class) divides generated by the current economy.

So far, the movement appears to be made up of and appealing most to those who are discontented—those who *want to* and *can* choose a new economy. But for such a movement to succeed, it must also be led by the dispossessed—those for whom the mainstream economy has never worked, those who *need* a new economy to meet basic needs.

For example, the [Restaurant Opportunities Center United](#), which organizes some of the lowest-paid restaurant workers in the nation, fights for higher wages and benefits, but also opened up their own cooperatively owned [COLORS](#) restaurants in New York City and Detroit.

Before dismissing this article as another rant against lack of diversity, let’s address the real question: Just why is color important? With Obama in the White House, aren’t we supposed to be post-racial? Doesn’t raising the issue of race just further divide us? Aren’t we all supposed to see ourselves as the 99 percent now?

## Race matters, because our current economy is racialized

On a surface level, image matters. If people of color (not to mention poor and working-class whites) cannot see themselves reflected in the New Economy movement, they will not pay much attention, much less be inspired to engage with ideas about transforming the economy. If the movement is perceived as white, then it will be challenged to build a broad multi-racial and multi-class identity.

On a deeper level, race matters because the economy we currently have is deeply racialized. Race and racism are central to how the dominant economy functions, whom it serves, and who pays the costs of obscene wealth accumulation and environmental unsustainability. Race and

class in the United States are inextricably intertwined, beginning with slavery and Native American genocide and continuing to this day with the struggle of immigrants. In short, how we live in and experience the economy differs drastically depending on our race and class.

Even before the Great Recession white families held about four times as much wealth as nonwhite, but that gap widened to six times by 2010. The subprime mortgage and foreclosure crisis caused the largest loss of wealth for people of color in U.S. history.

People of color also suffer from historic and ongoing environmental inequalities caused by the economy. Nationally, neighborhoods that host commercial hazardous waste facilities are made up of 56 percent people of color, almost twice the percentage compared to neighborhoods that do not host these facilities.

Even in a liberal, “blue” state like Massachusetts, studies show that 24 of the 30 most environmentally overburdened communities in the state are communities of color (there are only 34 communities of color in Massachusetts).

A world where race does not matter may be a noble aspiration, but in a racialized society, race blindness means turning a blind eye to actual conditions and problems of those most affected. Without directly addressing race and the economy, the New Economy movement will be hampered by the same Achilles heel that threatened other progressive movements. The labor and environmental movements, to name just two, had not only racial blind spots and but also outright racist practices.

Historically, many labor unions explicitly excluded all but whites. Even today, there are unions where it remains difficult for people of color to become members. With unionization at its lowest levels since peaking in the 1970s, one of the biggest challenges for labor is whether and how to organize the growing ranks of low-skilled, low wage service jobs—whose ranks are disproportionately people of color and immigrants.

Workers who have historically been excluded by labor law (e.g. farmworkers, domestic workers) have come together into a United Workers Congress. These struggles over who is part of the movement and what its goals should be are not just matters of diversity, but fundamentally about the identity of the movement and its basis of unity. How a New Economy addresses the plight of low-wage workers will be crucial to achieving its goal of fairness.

In the environmental movement, an eerily similar story can be told. There were early days where conservation groups were almost exclusively the reserve of privileged whites. It took a new movement, the environmental justice movement, with its now famous letter to the Big 10 green groups in 1990, to call out the movement’s complicity with “solutions” that exacerbated environmental racism and its lack of diversity at all levels. The Sierra Club has struggled over the past several decades with attempts by anti-immigrant “environmentalists” to take over its national board, based on the premise that immigration fuels overpopulation.

**Addressing race in the New Economy means broadening our perspectives on who are economic change agents and developing strategies that will work for our increasingly racially and class segregated society.**

Perhaps the most compelling reason to address race is because race has been used and continues to divide us. The Republican-corporate-conservative ascendancy to power over the last 30-plus years was built on its Southern strategy in which poor and working-class whites were pulled away from building a class identity with poor people of color.

In a May 17, 1970 interview with the *New York Times*, Kevin Phillips (then Nixon's political strategist), said "The more Negroes who register as Democrats in the South, the sooner the Negrophobe whites will quit the Democrats and become Republicans. That's where the votes are."

Reagan's 1982 declaration of war on drugs continued the "strategy of using racially coded political appeals on issues of crime and welfare to attract poor and working class white voters who were resentful of, and threatened by, desegregation, busing, and affirmative action."

Progressive movements cannot hope to succeed if we remain subject to these divide and conquer tactics.

## Beyond the rainbow

So, what color should the New Economy movement be?

It would be nice to see the rainbow. But it's about more than just symbolic representation and inclusion. Addressing race in the New Economy means broadening our perspectives on who are economic change agents and developing strategies that will work for our increasingly racially and class segregated society. Just calling for change to something new is not enough. How it serves the diversity within the 99 percent must be more clearly defined.

**We must acknowledge the long history of tension and conflict, instead of pretending that we've all been on the same side all along.**

Here in the United States, we have much to learn much from Solidarity Economy movements, particularly in South America. These movements descend from decades of explicit struggle against neoliberalism and globalization. They have achieved some state power, most notably in Brazil, Ecuador, Bolivia, and Venezuela.

In the United States, the U.S. Solidarity Economy Network was born out of discussions at the 2007 U.S. Social Forum.

The network defines core principles of Solidarity Economy that include "equity in all

dimensions: race/ethnicity/ nationality, class, gender, LGBTQ” along with solidarity, people over profits, sustainability, democracy, and pluralism. What Solidarity Economy makes explicit is its basis of unity.

If the New Economy movement is to grow, it must build a broad base and account for the actual racial and class differences among the 99 percent, not just our commonalities. We must acknowledge the long history of tension and conflict, instead of pretending that we’ve all been on the same side all along. If New Economy does not address these divides, then there may be solutions for the more wealthy and white segments of the population, but not for the rest of us.

A first step is to highlight and follow the economic vision and leadership that already exists among communities of color. Today, the green jobs movement is being led by prominent leaders of color, like Van Jones and Majora Carter. Green Workers Cooperatives, led by Omar Freilla in the South Bronx, incubates worker-owned green businesses.

Also in the Bronx is the Bronx Cooperative Development Initiative which brings together community base-building organizations, community development corporations, and labor to develop strategies for the regional economy based on the Mondragon model of cooperatives in Spain.

In Mississippi, the Jackson Plan, led by the Malcolm X Grassroots Movement and the Jackson People’s Assembly, has goals “to deepen democracy in Mississippi and to build a vibrant, people centered solidarity economy in Jackson and throughout the state of Mississippi that empowers Black and other oppressed peoples in the state.”

In Boston, Black and Latino workers came together recently to launch CERO—Cooperative Energy, Recycling, and Organics. These workers, who were already involved in informal scrap metal collection and a vegetable oil processing microenterprise, were brought together by two community groups—Boston Workers Alliance and Massachusetts Coalition for Occupational Safety and Health. After completing a co-op academy, the workers developed their own plan for a recycling services company serving the businesses in their own neighborhoods. They are currently raising start-up funds and exploring strategies for developing an eco-energy park in Boston based on processing organic waste into energy and fertilizer.

## Dreams become movements

These examples show that a different economy is being created by people of all colors. Whether it is “new” is not really as important as whether it is inspiring the dreams (think of Dr. King’s “I Have a Dream”) that can motivate mass social movements and demonstrate in practice the principles that it preaches. Race is fundamental to understanding how to build this economy. (And with race comes class, inextricably intertwined.)

If we move forward race-blind, we remain vulnerable to divide-and-conquer strategies. We must address our differences in order to build on our commonalities.

So, as we struggle to build a New Economy, let us remember history and its lessons:

1. Any progressive movement must build multi-racial and multi-class alliances in order to achieve its goals.
2. Racial justice must be core to the analysis of the “old” economy and strategies for economic transformation. The Right to the City Alliance is just one of the formations rooted in communities of color that is beginning to articulate such an analysis.
3. We need to support and ally with the leadership and initiatives for economic transformation already underway in communities of color. They may not explicitly embrace the New Economy label, and they may not take on some of the more conventional forms. But they are there, and they need to be acknowledged and supported.
4. Movement leadership needs to actively diversify their institutions and share power and resources.

If our New Economy is based on solidarity between the discontented and the dispossessed, then it will be multi-hued, and we might just give ourselves the chance to achieve justice, sustainability, and democracy.

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1. While this article focuses on the racial dimension, there are a number of factors beyond race that will also critically affect how the New Economy movement progresses, not the least of which is how it challenges the power of neoliberal capitalism.

2. See Jessica Gordon Nembhard, *Collective Courage: A history of African American Cooperative Economic Thought and Practice*. State College, PA: The Pennsylvania State University Press, forthcoming 2014.

3. For more on Garvey and Du Bois, see Sigmund C. Shipp, “The Road Not Taken: Alternative Strategies for Black Economic Development in the United States,” *Journal of Economic Issues*, Vol. 30, No. 1 (Mar., 1996), pp. 79-95.

4. For more discussion of the differences among the 99%, see Peter Marcuse’s blog: .

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