

**EMPLOYEE OWNERSHIP AS A STRATEGY
FOR BLACK ECONOMIC EMPOWERMENT**

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This is a reprint of a chapter of the same name which appeared in John Logue, editor, *The Ohio Buyout Handbook* (Athens, Columbus, Kent, and Toledo: Centers for Labor-Management Cooperation, 1987), pp. 64-72. Copyright by the author.

Introduction

The economic recovery of the mid 1980s has bypassed many Americans. As traditional industries continue to decline and American corporations move their production around the globe to find the cheapest labor, the black community has been particularly hard hit. The national unemployment rate for blacks (14.7%) is double that for whites (6.2%), and that for black teenagers (43.7%) is triple that for white teenagers (14.5%). The black unemployment rate for Ohio in 1985, at 18.5%, is even more disheartening than the national rate.

Many of the unemployed are displaced workers who lost their jobs as a result of plant closings or relocations, and cannot find other employment. Again, this is especially true for black Americans. The proportion of the black unemployed who are displaced (41%) is significantly higher than that for whites (23%); and only 42% of the displaced black workers have been reemployed compared to 63% of whites in similar situations. In much of the Midwest, and certainly in Ohio, blacks

have been victims of the decline in industrial employment, especially in decently paid, unionized, semi-skilled jobs.

Lack of employment opportunities for black Americans is reflected in statistics on poverty, median family income, and median net worth of families. The poverty rate for black families in 1984 was 33.8% compared to 11.5% for white families. The victims of poverty are principally women and children. Nearly 50% of all black children live in poverty and nearly 70% of those in black female-headed households are poor. Overall, black median family income (\$16,786) is a little over half of the average income for white families (\$29,152), and black families' median net worth (i.e., all financial assets including savings accounts, stocks, bonds, property, etc.) is only about \$3400, or roughly one tenth of the \$33,000 median net worth of all American families. They have few resources to fall back on, so the impact of the most recent recession on black families was very dramatic.

Employee Ownership As a Means to Economic Empowerment

Employee ownership is not a panacea for the economic problems of the black community. But it does offer black Americans an opportunity to shape their futures. The common forms of employee ownership -- ESOPs and cooperatives -- have been described in the first part of this handbook. Their common denominator is that they provide an ownership share in the company for most or all of its employees. ESOPs offer a wider

range of tax advantages than co-ops and can be used in various ways including as an employee benefit plan, as a market for owners who decide to sell their firms, as a means to raise capital, and as a way to increase employee participation in the company. Worker cooperatives are more democratic and less common than ESOPs. In the typical cooperative, the workers are the sole owners and each member has an equal

vote, although co-ops also may hire non-owning workers on a temporary basis, e.g., part-time or seasonal.

In general, worker cooperatives and democratically organized ESOPs have greater employee participation than conventional firms and higher productivity and employee motivation. As William Bynum of the Center for Community Self-Help (CCSH) puts it in arguing the virtues of a democratic structure in the firm, workers who "elect the board and participate in developing policy and hiring management" remain accountable to management while becoming owners. "By virtue of that, they're working for themselves in a more comfortable work environment. Productivity is higher because you're working for yourself...and the guy working next to you."

Employee ownership offers the black community a way to save or to create jobs, and a way to provide blacks with more control over their employment situation. This is especially true of co-

ops, which are by nature democratic and offer an attractive structure for starting new businesses. Co-ops create jobs from local resources; increase economic stability because the employee-owners live in the community and are less likely to move the business than an absentee owner might; and can often be established to provide vital community services that conventional corporations provide inadequately, when at all, in black communities. The major advantage of ESOPs over co-ops is the tax break for the firm, assuming that it is profitable, and for lenders to the firm. They are advantageous mainly in capital intensive firms for the purpose of sheltering profits within the company. Since employee-owned firms in the black community are more likely to be labor intensive, smaller in size, less likely to retain large earnings, and more likely to pass profits through to their employees, the cooperative structure may be the preferable form of employee ownership.

Black Employee Ownership: Three Case Studies

How successful has employee ownership been in the black community? While the number of employee-owned firms in the black community or serving the black community is still limited, the list has been growing in recent years. A number of the better established cooperatives either partially or completely owned by blacks can be found in Figure 16 on page 66.

These co-ops are divided among the production, distribution and service sectors. Let us examine in more detail one from each category with particular attention to how each developed, how it is structured, what participation features it provides, and how the company has performed.

Production: Workers' Owned Sewing Company

Workers' Owned Sewing Company, located in Windsor, North Carolina, dates back to 1979. It was formerly known as Bertie Industries, which was started in 1966 by some 800 residents of rural Bertie County. Bertie Industries was a mostly minority-owned cut-and-sew factory which did subcontracting for garment manufacturers. The business was

supported by grants, loans, and management assistance from the Small Business Administration (SBA). After approximately twelve years of operation, Bertie Industries went bankrupt, probably as a result of poor management, low productivity, and loss of support from the SBA. In 1979, a new business, Workers' Owned Sewing Company, opened as a worker cooperative through the efforts of Tim Bazemore (one founder of Bertie Industries), and a team of consultants.

When the co-op first began, Bazemore owned all of the shares. This changed by 1981 as Bazemore decided to sell shares to the employees. Each share sold for \$100 and employees were able to purchase them through \$2 to \$5 weekly payroll deductions. Only one share can be held by each employee and the share does not increase in value. Increases or decreases in the company's equity are recorded in employees' individual accounts. If employees leave the company, they sell their share and withdraw the value of their accounts. The structure of Workers' Owned allows two important benefits to supplement the workers' minimum-wage salaries. They may earn productivity incentives, and may borrow as much as \$150 with no interest, from

Figure 16. Cooperatives partially or completely owned by minorities

Name	Location	# of Employees	% Minority Owned
Alamance Workers' Owned Knitting Co.	Burlington, NC	13	30-40%
Busy Needle	East Flat Rock, NC	15	30
Eastern Casket Co.	Tillery, NC	10	100
New Bern Bakery	New Bern, NC	NA	30
New York Home Care Associates	South Bronx, NY	100	98
Omega Press	Philadelphia, PA	18	50-60
O&O Supermarkets (6 stores)	Philadelphia, PA	1) 50 2) 45 3) 55 4) 40-45 5) 40-45 6) 25	20 <10 90 20-30 20-30 <10
The People's Voice Service Printing	Weldon, NC	3	100
Stone Soup	Durham, NC	10	100
Workers' Owned Sewing Co.	Asheville, NC	15	20
	Windsor, NC	65	80

a company loan fund, to help with personal expenses.

The Workers' Owned Sewing Company is committed to worker participation. The main decision-making body is a seven-member board of directors elected by all worker-members. This board is responsible for all major business decisions and for hiring or firing the plant manager. In addition, the other worker-members participate in bi-monthly lunch meetings as well as voting directly on many issues. For example, the workers voted to begin work at 5 AM during the summer months to complete work before the mid-afternoon heat.

This cooperative is another example of a successful attempt at employee ownership. Eight months after opening, Workers' Owned made its first profits, and, by 1983, was able to do direct manufacturing for K-Mart and Sears rather than just subcontracting. After that change, sales rose to \$600,000 in 1983 and to \$2 million a year later.

Distribution: O&O Supermarkets

O&O Supermarkets began operating in 1982 following the closing of the A&P stores in Greater Philadelphia which resulted in layoffs of 2,000 workers. After ne-

gotiations with the union, A&P agreed to reopen more than 50 stores through its subsidiary, Superfresh. In return for wage concessions, Superfresh offered the employees a profit-sharing plan. In addition, the union got A&P to agree that employees had the first option to buy stores which Superfresh might close in the future. Employees in two stores exercised this option, and bought from A&P the first two owned and operated (O&O) supermarkets. (Now, with the opening of additional stores, there are six O&O markets.) This decision was a very beneficial one for black Philadelphians as some of these stores are located in the black community, specifically in the central city areas abandoned by the major supermarket chains. Also, O&O Supermarkets provide blacks with cheaper food within their own communities and prevent them from being forced to shop in other areas of the city where food may be more expensive. More importantly, the decision to purchase the stores helped to increase black employment as in all but two stores blacks make up at least 20% of the total number of employees.

While they have similar structures, the two markets are separate corporations. The plan works in this manner. Worker-members buy a \$5,000 share

through payroll deductions. This share is the membership fee which goes into the members' internal capital accounts. Periodically, profits are added to or losses deducted from these accounts. A collective account is also created in which profits and losses are reflected. During a profitable period, a percentage of the income goes to the collective account, interest is paid on the member shares, and remaining profits go to the individuals' accounts on the basis of hours worked that period. In a period of losses, a percentage of the loss is deducted from the collective account, no interest is paid on member shares, and the remaining losses are deducted from individual accounts.

The O&O cooperative is very much oriented toward worker participation. Worker-members serve on standing and ad hoc committees, attend employee meetings, and elect the board of directors for each store (one member-one vote). This board consists of ten members, two outsiders, and a non-member manager hired by the board. The authority of the manager, the board, and the general membership is based on three factors: time, money, and number of members affected. The authority and responsibility is allocated as follows: Manager - decisions on matters of less than one year, less than \$3,000, or affecting less than seven members; Board of Directors - decisions on matters between one to three years, \$3,000 to \$10,000 or affecting seven to 50% of the members; General Membership - all other decisions.

When the co-op began in 1982, all of the full-time employees bought shares and became worker-members. The stores also employed both part-time and full-time non-members. In addition, a committee has sought a way to include these non-members in participation, profit-sharing, and ownership. The O&O stores have been quite successful since becoming worker-owned, outselling the A&P supermarkets which they replaced. In fact, the first two stores, Roslyn and Parkwood Manor have increased sales by 40% and 20%, respectively. Further indication of their success is the fact that four additional O&O stores have opened. Finally, O&O Supermarkets have done a remarkable job in meeting the grocery needs of the black community in Philadelphia as well as providing employment for its residents.

Social Services: New York Home Care Associates

New York Home Care Associates (NYHCA), a cooperative of black and Hispanic workers located in the South Bronx, was founded in January of 1985. This cooperative provides home health care aide services to patients who are under the overall care of a certified home care agency or a nursing home's long-term home health care program. NYHCA was viewed by its founders as an opportunity to help stabilize employment in an industry characterized by high turnover (50%-60% annually), low wages, and high absenteeism. This co-op has only 10%-15% turnover and 70% of its workers are full-time employees compared to 20% in the industry at large.

The firm's structure is based on an investment fee (\$1000), part of which is paid up front (\$50), and the rest over a three year period (\$3.50 per week for 3 years). The wages paid to employees of NYHCA are much higher than the average for the industry. NYHCA wages started at \$4.50 per hour and increased to \$4.75, while the industry average was \$3.60 (now up to \$4.25). Like O&O and Workers' Owned, NYHCA provides for substantial participation by its workers. They have voting rights and can participate in team meetings involving all employees. Worker-owners can elect members of as well as serve on the Board of Directors and the Grievance Council. In addition, they can be members of Board committees which develop policies to govern company operations.

Having received financial assistance from the United Hospital Fund, the Community Service Society of New York, the Industrial Cooperative Association, and Catholic organizations, NYHCA is on the road to success. Sales have been projected to reach \$800,000 for 1986, and \$1.6 for 1987. Again, minorities and women have benefited from this endeavor as of 100 employees, only 2 are males and only 2 are white.

As is apparent from the discussion, cooperatives have been successful ventures for minorities. All three of these, O&O Supermarkets, Workers' Owned Sewing Company, and NYHCA are labor intensive, provide employment where it is sorely needed, and offer vital services for the communities involved.

Resources, Problems, and Guidelines for Forming Cooperatives

Several organizations have been involved in efforts to further employee ownership in terms of providing legal, technical, and financial assistance and/or actually setting up worker-owned firms. The Industrial Cooperative Association (ICA), founded in 1978, is the oldest and largest organization to provide assistance to employee-owned firms. ICA provides a variety of services in reaching its goal of creating firms which give all employees meaningful participation in their work. Its activities include the following:

- Business consulting - feasibility studies of buyouts, writing of business plans, design of financial information systems;
- Financial packaging - special lending programs and conventional credit sources;
- Legal assistance - advice on corporate structure, taxation, and mechanisms for transition to employee ownership;
- Work force education - design of workshops, information meetings, and newsletters;
- Organizational development - redesign of jobs, development of grievance procedures, and organization of quality-of-worklife programs; and
- Advice to public and private institutions (e.g., city and state governments, unions, churches, and community organizations) on use of employee ownership to create jobs.

Another organization, the Center for Community Self-Help (CCSH), is aimed specifically at helping low income, disadvantaged people in rural areas of North Carolina. The Center describes its mission as assisting communities and employees in saving threatened jobs or creating new jobs by helping them change existing businesses, or set up new ones, to operate as employee-owned, cooperative corporations. CCSH also provides a variety of services for those interested in pursuing cooperatives:

- Direct technical services - legal, financial, and managerial expertise;
- Development of support institutions - small business loan corporation, credit union, Guilford College program in democratic management; and
- Educational activities - speaking to groups, holding workshops, testifying at request of public officials, and publication of a variety of materials.

Two other organizations located in major cities are worth mentioning here. The Philadelphia Association for Cooperative Enterprise (PACE) and the Community Service Society of New York (CSS) have both been extensively involved in creating employee-owned businesses. PACE has worked with a local union to start a group of union-initiated worker-owned firms in Philadelphia (e.g., O&O Supermarkets) and has been successful in establishing a loan fund for cooperatives. CSS set up the Center for Economic Development, whose purpose is to create decent jobs for the unemployed and underemployed. The Center focuses on starting employee-owned businesses that have the potential for creating jobs for at least 30 New York City residents. Like ICA and CCSH, it provides a range of services including feasibility studies, preparation of business plans and financial packages, development of appropriate governance and legal structures, manager and worker recruitment, worker education and training, and management consultation and assistance.

Attention thus far has been directed to resource bases in other areas of the country, but there are also organizations within Ohio communities which can provide information needed to further worker-owned firms. (See "Appendix A. Employee Ownership Information and Assistance" on page 75.) One such organization, Worker Owned Network (WON), located in Appalachian Ohio was formed to revitalize the region's hard-pressed economy and assist its residents in becoming self-reliant. The founders of WON saw worker ownership as the means for achieving these goals. In two

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years, WON has assisted four groups in setting up employee-owned businesses: 1) Home and Family Care Associates - co-op consisting of former ADC recipients that provides general home care and health aid to the elderly and disabled, 2) Casa Nueva - Mexican restaurant that went out of business reopened as a worker-owned firm, 3) Elderly and Handicapped Resources - group of ADC recipients that provides services for elderly and handicapped persons (e.g., grocery shopping, grooming, home maintenance, and other household chores), and 4) Crumbs Bakery - converted to worker ownership after former owners decided to sell it. In addition to assisting these firms, WON is involved in other efforts to further worker ownership in Appalachian Ohio including expanding its capacity to provide comprehensive feasibility studies, planning for development of a minority-owned business, and exploring the possibility of starting a credit union to make loans to worker-owned businesses.

Similar efforts to promote employee ownership are underway in Cincinnati. Jobs for People, a citywide coalition of religious groups, was set up to start new businesses and thus to create new jobs for the unemployed and underemployed. These businesses are to be employee owned with substantial participation and input by the workers. Jobs for People's first venture is PFJ Enterprise, a temporary labor firm. PFJ provides personnel for many kinds of work including general labor, painting, moving, food preparation, light clerical and secretarial, assembly, light industrial, warehouse, data entry, and janitorial. In existence for about one year PFJ Enterprises has had satisfied customers ranging from churches to major corporations like Proctor and Gamble. Thus far, the co-op has been quite successful, maintaining a labor pool of fifty people with about fifty more on the waiting list. Of utmost importance is the fact that these employees have an opportunity to become owners after a trial period with the firm.

An employee-owned firm similar to PFJ Enterprises is located in Youngstown, Ohio. Call On Our People (CO-OP) is also a temporary services cooperative, specializing in cleaning services for both households and businesses within the area. This firm is directed at helping unemployed and underemployed persons interested in the service field. Thus far, the worker-members of CO-OP



are mainly women, some are black, and some are members of other ethnic groups. In existence since mid-October of 1984, the future of CO-OP seems promising. In 1985, sales were over \$18,500 and are projected to reach \$44,000 during the 1986 calendar year.

As was illustrated above, several organizations exist which can provide useful information for members of minority groups interested in establishing worker-owned businesses. It is imperative that they tap into these resources to gain a thorough understanding of how employee ownership can strengthen their communities and create opportunities for economic improvement.

These attempts to help the unemployed and underemployed become worker-owners point up an important issue for minorities, particularly black people - the problem of financing. As is common knowledge, it is quite difficult to get traditional lending sources to loan money for economic projects managed by low-income and working people. As was pointed out in a 1985 edition of Fair Measure, "This has been especially true for black entrepreneurs in many areas, as well as for workers banding together to buy out a business being deserted by a larger concern. Even with a sound business plan, a good market, and technical assistance, many are turned away from lending institutions that tend to be conservative and, in some cases, racist. To put it bluntly, the banks have flat out refused to finance worker-owned businesses" (Peltier, 1985, pp. 2-3). For this reason, blacks who want to become involved in employee ownership must seek non-traditional sources of funding. One such source is the Self-Help Credit Union (SHCU), the financial arm of CASH, created specifically to provide financial assistance to democratically owned and managed businesses. SHCU as-

sists in financing employee ownership in one of two ways: 1) direct business loans - to provide capital necessary to purchase materials to start business, or 2) worker-equity loans - personal loans provided to individuals to buy membership shares. In its first year of operation, SHCU was able to acquire close to \$2 million and provided loans to ten democratically managed businesses in North Carolina. This indicates that SHCU could be a major vehicle for black North Carolinians to secure employment as well as some financial independence.

Other organizations could also prove useful to the black community in future efforts at employee ownership. For example, the ICA Revolving Loan Fund provides risk capital and financial services to employee-owned companies. In addition, this loan fund works with other low-cost financing sources and some conventional credit sources to create finance packages. For those who find that an employee buyout is a possible alternative, a limited amount of federal and state assistance is available. Corey Rosen found that about sixteen buyouts have received financial assistance from federal agencies such as the Economic Development Administration (EDA), the Department of Housing and Urban Development's Urban Development Action Grant Program (UDAG), the Farmers Home Administration (FmHA), and the Small Business Administration (SBA). This aid was in the form of grants, loans, or loan guarantees. However, because of the budget cuts of the past few years, these federal agencies are less capable of providing any substantial aid in the future. Rather, the role of states in financing buyouts is on the upswing. For example, California, New York, Illinois, Michigan, and Pennsylvania have passed laws to help finance buyouts and other states are considering similar legislation. Some funding is also available for feasibility studies.

State and local governments may play a large role in financing efforts to set up cooperatives as well. For example, in 1985 and 1986, WON received a grant from the Ohio Department of Development to assist in educating and advising local cooperatives in business and decision-making skills. Jobs for People was awarded a grant from the city of Cincinnati for its efforts in establishing worker-owned firms. Finally, financial assistance has come from re-

ligious and other private organizations. North Carolina's SHCU has received deposits from the United Presbyterian Church, the Fund for Southern Communities, and the North Carolina Occupational Safety and Health Project. WON has also received grants from the Presbyterian Church, while Jobs for People has been the recipient of loans from various religious organizations in the community.

What steps need to be taken in setting up co-ops? On the basis of his practical experience in North Carolina, Martin Eakes, founder of the CCSH, suggests the following:

1. Have an attorney draft articles for the legal structure; get stationery, business cards, and accounting books.
2. Obtain services of three advisors: legal, insurance, accounting.
3. Put a leadership group together (about 6-10 people) with clearly stated leadership plans; include someone for day-to-day management with experience in finance.
4. Divide group into three committees: by-laws, personnel, and business plan:
 - by-laws: determine costs of membership shares, issues of roles of management in decision making, criteria for independent and group action, e.g., group action if over 50% of workers are affected or over \$10,000 is involved;
 - business plan: determine whether business should be started at all by looking at market to see what will sell, studying competitors, projecting monthly financial statements for 2 to 3 years (examine costs and profits and look for break-even level);
 - personnel: anticipate problems and set policy regarding sick leave, vacation, hiring and firing.

Each committee works 4-6 months before the start-up. After the co-op is started, the committees become permanent: by-laws (education), bu-

siness plan (worker management), and personnel (grievance).

5. The final issue is sweat equity - no wages are paid during the start-up period, so workers should keep track of their hours for compensation later.

Eakes adds that co-ops need technical assistance from others so he suggests that a network of co-ops be formed and that they build support institutions, especially in the area of financing. Further information on starting a cooperative is available from CESH and ICA which provide various publications on this topic.

Conclusions and Recommendations

"There are not many ideas that create social justice, promote economic growth, and appeal to most everyone politically, but employee ownership does. We are not naive about the obstacles employee ownership faces, but its progress so far has surpassed the most optimistic projections of a few years ago. We believe it provides a solution to a variety of our social and economic problems, a solution we cannot afford to ignore"⁷ An examination of successful black employee-owned enterprises suggests that that is also true in minority communities.

The choice of structures -- ESOPs or co-ops -- for employee ownership in the black community depends on the circumstances. ESOPs clearly have many advantages in buying capital intensive or larger firms where the tax advantages of ESOPs may be important. Those opportunities are, unfortunately, few and far between for blacks. In general it appears that worker cooperatives will more commonly be suitable in the black community because cooperatives can be easily started from scratch by lower and working class people to fill community needs. Co-ops are more likely than ESOPs to be labor intensive, to pass through their profits in higher employee compensation, and, perhaps, to create more jobs.

The examples discussed above suggest that co-ops can prove successful in a variety of circumstances. They may, however, be particularly useful in two areas: (1) providing goods and services in the black community when conventional firms flee or do not provide services at all, and (2) providing democratically controlled businesses with higher wages in fields where blacks and other minor-

ities typically provide most of the urban labor force.

Black communities are woefully provided with many services. The flight of supermarket chains from central city areas has raised prices and victimized the poor. The success of O&O Supermarkets provides a spectacular demonstration that employee-owned retail stores can provide secure jobs for their owners and services to the community. Child care co-ops would probably also be successful and would address a pressing need in the black community: quality child care would be provided for those mothers who would like to work (teenage mothers, female-headed households) but have previously lacked access to such services.

Black communities provide a labor surplus on which the surrounding economy draws. This is particularly true in the service sector, such as home care aides, custodial services, and the like. Frequently those jobs combine very low wages with little job security and very high turnover rates. Note the success of Health Care Associates in New York in cutting turnover, raising wages, and creating secure jobs through employee ownership in an industry which has been highly profitable for owners but not very rewarding for workers. Custodial service co-ops also make a lot of sense. To encourage blacks and other minorities to undertake these types of business ventures, it is crucial to establish minority community development programs like CESH, WDN, PACE, CSS, and Jobs for People. These organizations have proven that cooperatives can be successful if worker-owners and managers are equipped with adequate legal, technical, and managerial training.

⁷ Corey Rosen, Katherine J. Klein, and Karen M. Young, *Employee Ownership in America: The Equity Solution* (Lexington, MA: Lexington Books, 1986), p. 202.

Employee ownership is not a cure-all for the economic problems plaguing the black community. However, it provides a means, through pooling talents and resources, to create secure jobs that

are anchored in the community, to provide vital community services, and to improve the economic situation of the individual employee owner.

NORTHEAST OHIO EMPLOYEE OWNERSHIP CENTER PUBLICATIONS

Studies in Employee Ownership

1. *Buyout! Employee Ownership as an Alternative to Plant Shutdowns: The Ohio Experience*, by John Logue, James B. Quilligan, and Barbara J. Weissmann (1986). ISBN 0-933522-15-0. Foreword by William Foote Whyte. This research report examines 47 attempts to use employee buyouts to save Ohio plants and companies threatened by shutdowns and analyzes the causes of failure and success.

2. *Employee Ownership and the States: Legislation, Implementation and Models*, by Catherine Ivancic and John Logue (1986). ISBN 0-933522-16-X. Nineteen states have adopted legislation to encourage employee ownership as a strategy for job retention and creation. This research report analyzes that legislation, examines its implementation, and offers a model for future state initiatives.

3. *The Ohio Buyout Handbook: A 'How to do it' Guide for Workers Becoming Owners*, edited by John Logue (1987). Since 1979 at least a dozen Ohio companies that would have otherwise closed have successfully restructured as employee-owned businesses. This practical handbook lays out in a step-by-step fashion how to use employee ownership to avoid shutdowns.

4. *The Lending Environment for ESOP Companies: The Ohio Bank Study*, by Daniel Bell and Mark Keating (1987). ISBN 0-933522-17-7. Not only do some bankers favor employee-owned firms over their counterparts, many offer special interest rates below prime to ESOPs. This research report analyzes the results of a 1987 survey of Ohio bankers.

5. *Bringing Your Employees into the Business: An Employee Ownership Handbook for Small Business*, by Daniel Bell (1988). ISBN 0-933522-18-5 (hardback); 0-933522-19-2 (paper). This handbook introduces the owner of a small business to the numerous advantages of employee ownership as a way of selling the business at retirement, an employee benefit program and a creative means of increasing a company's cash flow.

6. *Employee Stock Ownership Plans in Ohio: Impact on Company Performance and Employment*, by John Logue and Cassandra Rogers (1989). ISBN 0-933522-20-7. How have Ohio employee-owned firms performed? This study reports the results of a survey of Ohio ESOP companies and provides a detailed analysis of their characteristics.

7. *Perestroika, Privatization, and Worker Ownership in the USSR*, by Jacob Keremetsky and John Logue (1991). ISBN 0-933522-22-3. Keremetsky, a senior researcher at the USA-Canada Institute of the Soviet Academy of Sciences, analyzes the process of privatization of enterprises and the role that employee ownership can play in the on-going transformation of the Soviet economy. Logue adds case studies of two enterprises which employees have leased from the state.

Preprints, Reprints and Occasional Papers

J. Bado, ed. *The Case for Ownership: Ohio Case Studies*. 24 pp. (1991: 1). Detailed case studies of successful Ohio employee-owned firms written by the staff of the Northeast Ohio Employee Ownership Center and reflections on managing employee-owned firms by Jim Carroll, John O'Leary, and Karl Reuther. Most of the case studies originally appeared in the NOEOC newsletter *Owners at Work*.

J. Bado and John Logue, *Hard Hats and Hard Decisions: The Evolving Union Role in Employee-Owned Firms*. 23 pp. (1991: 4). A discussion of the role of the union in theory and in practice in employee-owned firms that draws on interviews with fifteen union leaders in eleven unionized Ohio firms. A slightly shorter version was published in *The Journal of Employee Ownership Law and Finance*, vol. 3, no. 2 (Spring 1991), pp. 3-50.

Joyce Baugh, *Employee Ownership as a Strategy for Black Economic Empowerment*. 8 pp. (1991: 2). Case studies of the development of employee-owned businesses in black communities as a strategy for minority economic development. Reprint from John Logue, editor, *The Ohio Buyout Handbook* (Athens, Columbus, Kent, and Toledo: Regional Labor-Management Cooperation Centers, 1987), pp. 64-72.

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The Northeast Ohio Employee Ownership Center (NOEOC) was established in June 1987 with the support of the Cleveland Foundation, the George Gund Foundation and the Ohio Department of Development to implement an outreach program geared toward using employee ownership as a long-term strategy for economic development and as a means of job creation and retention. The NOEOC provides information, outreach, training and assistance to those interested in employee ownership, develops and conducts in-plant training programs in employee-owned companies, and facilitates cooperation among employee-owned firms.

For more information about the Center and its programs, contact the Northeast Ohio Employee Ownership Center, Department of Political Science, Kent State University, Kent, OH 44242 or call (216) 672-3028.