**Two Capitalisms:**

**A Challenge To Democratic Socialists, Social Democrats,**

**Progressives and Welfare State Liberals.**

**Mike Miller**

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**Preface**

*[O]n September 24, 1599, in a timbered building off Moorgate Fields, not far from where Shakespeare was struggling to complete Hamlet, a new type of company was founded. [O]wnership of the new firm, called the East India Company, was sliced into tiny pieces to be bought and sold freely…Liberalism’s fatal hypocrisy was to celebrate the virtuous neighborhood butchers, bakers, and brewers in order to defend all the East India Companies that have since made a mockery of freedom.*

*Yanis Varoufakis, December 27, 2019. (1)*

**Introduction**

If additional evidence was needed for what is presented in this article, the post-George Floyd police murder demonstrations and riots throughout the country provide it. Hundreds of minority-owned small businesses have been destroyed. In interview-after-interview it is clear that their owners were pillars of their communiites.

The argument here is that it is a mistake to lump together under the word “capitalism” multi-national corporations and international financial institutions and small businesses. In particular I am interested in small business people as allies in the development of the people power that must be built in this country if we are to slow, halt and reverse the vast inequalities that now exist and the disproportionate power now held by those with great wealth. Small business includes small farmers, entrepreneurs, self-employed professionals and those who supplement their income with a “home business” they operate from a study or garage.

Big corporations and financial institutions accumulate vast sums of capital, and are willing to go wherever they have to in order to maximize profit; they are rootless, owing no allegiance to place or people; the global economy—computers, container ships and other technology that rapidly connects everything—makes it possible for them to play country against country until they find the cheapest labor in nations that suppress the right of workers to organize and do nothing to regulate environmental pollution; their executives accumulate vast sums of money in their pay packages, and vast amounts of power because they use their funds to directly and indirectly influence political decision makers; their existence makes a mockery of the idea of democracy because their wealth translates into power that contradicts the idea “one person, one vote”, and their status is inimical to the rough equality of person that is implicit in a democratic society—the ideal of Jeffersonian democrats. Regulation of giant business institutions that are “too big to fail” is a contradiction in terms—they are capable of blackmailing society because of social dependence on them—thus when disaster faces them they are “bailed out” with taxpayer money.

Some of corporate and financial leaders are people with a conscience who contribute substantial funds and talent to the larger society. Others are rapacious. But both are structurally more powerful than a democracy can afford for any individual to be, and their wealth creates an inequality that democracies cannot tolerate and survive.

Small businesses are generally owned by one or a few people whose incomes are not qualitatively beyond those of the people who surround them; they are connected to local markets (unless they are subcontractors for multi-nationals); they may be generous to their employees or not, but whichever is the case they are susceptible to unionization, boycotts, local minimum wage requirements and other constraints society wants to impose upon them; often they are contributors to the athletic, cultural and social activities in the communities where they exist; many of them—as illustrated in the Corona pandemic—are committed to their workers and communities, and stretch themselves to demonstrate that with words and deeds; their organizations and financial contributions are not so large that they can dominate the political process; they afford immediate opportunity for working class people to take a step toward independence from jobs they don’t like by opening a new business; when workers go on strike, they often extend credit, donate to the union and otherwise support struggles that are engaged in by their customers; their social standing does not make them “above” everyday people—no one views them with awe in the way serfs may have looked “up to” lords.

Small business owners constitute a group largely ignored by the left, progressive and liberal points of view of the political spectrum, and often by labor and community organizers who should know better. It’s a serious mistake. They and their enterprises are qualitatively different from the usual absentee-owned corporation that by legal fiction is treated as an individual but isn’t. It has no soul or character; the closest it comes to that is an “organization culture”. Its CEO and board of directors are judged by their ability to generate returns for shareholders.

**Who are small business people? Why is it a mistake to ignore them?**

**What can be done to rectify the error? Why is it important to do so?**

According to an April, 2014 study of 3,000 of them, the number one reason they started their business is a “sense of personal achievement,” and “the feeling of self-worth in fulfilling a lifelong dream”. Financial stability was important, profit essential to staying in business, but so were “giving back to the community” and “great customers”. (2)

Writing in *\*Chron*, Brian Hill cites these reasons (without giving relative importance): build wealth, challenge, independence, sense of accomplishment, provide for family members and help others. In the same publication, George N. Root III notes having a definite idea of how a business should be run—i.e. a vision, desire to “put a personal touch back into doing business” (as distinct from a large impersonal corporation), “a feeling of accomplishment” because they “are offering a valuable service to their customers,” “they pride themselves on doing the best job possible,” “feelings of accomplishment and pride,” and “giving back to their communities through charitable donations…” (3) Being one’s own boss is important for many.

In the current Corona virus epidemic, stories about them pop up everyday in the TV coverage of the crisis, and are among the more inspiring acts undertaken by Americans: a distiller in Tennessee, when he saw the price of alcohol-based sanitizers skyrocketing, stopped making booze and started making alcohol-based medical material—and donated it to hospitals. A fashion designer in New York City enlisted his whole “team” (as he called them) to make face masks, proudly reporting they were up to 4,000 a week. Pizza parlors, hamburger joints and burrito places are switching to pick-up and home delivery, keeping their staffs on payroll and borrowing money so they can keep their places open.

If the forces for the common good or public interest, for the values of freedom, justice, community, solidarity, equality and others are to win, broad-based organizations or coalitions are required to assemble sufficient people power to defeat concentrated wealth and income, and its power to influence and control politics. By their numbers alone, small business people deserve attention from those who hold these values. While corporate and financial economic concentration continues, so does small business persist.

**Numbers: Boring But Important**

There are 38 million home-based businesses in the United States; 44% of them start up with less than $5,000 capitalization. According to the people who promote them, “70% of Americans would prefer to be self-employed, and a new home-based business is started every 12 seconds.” More of them are owned by women than men, and 20% of them make $100,000 - $500,000 a year.” (4)

The Small Business Administration (SBA) says there are 30.2 million “small businesses”—defined as fewer than 500 employees—in the U.S. They comprise 99.9% of all U.S. businesses. But 500 exaggerates what we mean by “small,” so I looked further.

Catherine Giese provides some details on businesses with 50-or-fewer employees: they employ 58.9 million people, almost half the country’s total workforce; the largest number of them are in non-public administration “other services;” next comes “professional, scientific and technical services, followed by construction, and real estate, rental and leasing. Almost 40% have college degrees, followed by 27% with some college, 26% with high school diplomas, and 9% with no high school diploma.

Giese’s data are from the Kauffman Index, which counts businesses with fewer than 50 employees—which seems more like “small” to me. 80% are solo operations; 20% have at least one employee. A racial/ethnic breakdown shows White, 72%, Black, 6%, Latino, 14%, Asian, 6%, and “Other”, 2%, with growth being in the minorities, and decline in Whites. (5)

The Small Business & Entrepreneurship Council reports “firms with fewer than 20 workers make up 89% of the total.” That’s even closer to my idea of “small”. And if you add the very small—no employees, the number is 25 million. “Small” accounts for 98% of American business.

**Workers Who Want To Be Small Business People**

I doubt these data include the underground “off the books” small businesses of street and garage sales people and others. I similarly suspect not for a lot of undocumented domestic workers. Then add the workers in a variety of occupations who are part of that 70% who “would prefer to be self-employed.”

For example, in a study of United Auto Workers union members during a period when UAW was a powerhouse in its industry thus able to protect workers on the assembly line as well as in a contract, Eli Chinoy found significant numbers of them had entrepreneurial dreams, saving money to invest in freedom from the assembly line. Most of their small businesses failed, and they returned to the labor market. (6)

You think that might be ancient history? According to the August, 2014 *MarketWatch,*

Some 39% of employees hope to own their own business, according to a new survey released by the University of Phoenix Business School, down from 41% last year. And the younger they are, the more they want it. More than half of workers in their 20s who don’t own a business hope to do so in the future, while 50% of workers in their 30s and 35% in their 40s want to start their own business. However, only one-quarter of workers in their 50s and 17% of workers age 60 or older who do not currently own a business want to do so in the future…“40% of employees want to start their own business.” (7)

Add the workers who already have small businesses “on the side” to supplement their income. I wasn’t able to find data on them. Anecdotally, though, I’ve heard of a lot of them, and know a number of them.

**What Follows?**

Take each of those overall figures and multiply by two because for every one of those businesspeople who is single, there is probably one who has a partner and one or more children. Add to that others in the family, neighbors and friends.

Bottom line: we’re talking about a lot of people.

**Impressions**

**Small Business Seminar**

I wondered who these people are, so I went to a low-fee seminar sponsored by an organization that helps people launch home businesses. The day-long, lunch included, gathering was in a large conference room in a downtown four-star hotel in San Francisco. It was crowded, probably 150-200 people. The majority was White; the next largest group was Asian; there was a scattering of Black and Latino people.

To the extent that visual cues let you know about occupation and income, they were overwhelming working- or lower-middle class. Nothing fancy about this crowd. The questions raised from the floor, and the words used in them, strengthened my impression. Listening in on conversations at the coffee and lunch breaks, that sense of the crowd was confirmed.

**My Neighborhood and Where I Shop**

In my neighborhood and others where I shop, small business people own and operate the best coffee houses, restaurants, shoe repair shops, laundries, specialty food stores, hair salons and late-night “mom-and-pop” groceries that I patronize, and they are my plumber, electrician, handyman, gardener and occasional house cleaner. They contribute to local nonprofits, advertise in my free neighborhood monthly and seem otherwise to be good citizens. Among them are Palestinian-, Iranian-, Italian-, Indian-, Irish-, Thai-, Japanese-, Lebanese-, Greek-, Chinese-, Jewish-, Latino-, and I don’t know who else-Americans.

Then there are the many resident-landlords in my neighborhood and city. I’m one of them: I rent four bedrooms in my house at below-market price to four young people. At 83 years of age and no longer working, but having little retirement income after a lifetime as an organizer, this is my principal source of income.

Landlords are some of the most rapacious small business people. I think that’s a minority, but I know of no studies that quantify the question. The ones I know also rent at below market rate, postpone collection when their tenants have cash-flow problems, and are otherwise good citizens.

Don’t get me wrong: I know there’s lots of exploitation done by small businesspeople. I’ll return to this point.

**Stories**

**Mississippi**

In my community organizer lifetime, I’ve met some extraordinary small business people. Hartman Turnbow was an African-American farmer in Holmes County, MS, and an early leader in that county’s voting rights movement. There were others like him: Ozell Mitchell, Ralthus Hayes, Rev. Jesse James Russell, and Alma Carnegie—individuals who had little more than their small farm, and who demanded their rights. Throughout Mississippi, independent farmers, barbers, beauticians, small restaurant owners and others were key people for the work of the Student Nonviolent Coordinating Committee (SNCC), on whose staff I workd. Relatively insulated from white racist power structure pressure, they played central roles in “The Movement”.

Nor is the importance to the African-American community of small business limited to the Deep South or small farmers. Historically, because upward mobility was blocked by a near-caste system of racism, small business was a route to a better life for many Blacks. And many of them became anchor people in their own communities.

**San Francisco**

When San Francisco Mayor Joseph Alioto put out feelers to “moderates” in the broadly-based Mission Coalition Organization (MCO), for which I was lead organizer, to see if he could persuade them to oppose militant direct action by the organization’s housing and employment committee or withdraw if MCO wouldn’t change, one of the first people his aide Mike McCone spoke with was Frank Hunt, President of the Mission Merchants Association.

At the time, sit-ins, boycotts, rent strikes, and picketing at landlord homes, workplaces, businesses and churches were part of MCO’s tactical arsenal. “I may disagree with what they’re doing,” Hunt told me he said to the mayor’s aide, “but when I needed help getting the girlie movie theater closed and preventing further urban renewal agency relocation of pawn shops to Mission Street, those are the folks that helped me. I’m not quitting them now.” Hunt was a Republican, born and raised in Oklahoma, who supported the City’s centrist Democrat mayor. That breadth of support made it possible for MCO to stop urban renewal (one of the few neighborhoods in the country to do so) in The Mission, and led the mayor to become an ally. (Mike McCone became a life-long friend of mine.)

When fellow merchants asked Hunt what he was going to do about all the “Mexicans” (more of them were from Central America) moving into the neighborhood, he replied, “sell them donuts.” Hunt’s Donut Shop offered free donuts to neighborhood nonprofits that sold tickets for them with 100% of the proceeds going to the organization’s treasury.

MCO’s Housing Committee organized apartment building tenant associations that negotiated agreements with some pretty bad landlords. We also discovered some pretty bad tenants, and in those cases we helped small, often resident, landlords evict them. We also helped such landlords deal with redlining by neighborhood banks that wouldn’t give them the home-improvement loans they needed to be the kind of landlord they wanted to be.

The independence provided by owning a small business or farm freed these people to become activists and leaders in various organizations that fought for economic and social justice. That is an asset.

**Strike Support**

When a strike is anticipated, unions ask local businesses to extend credit to strikers, contribute to strike kitchens and otherwise support the cause. Many do. Smart unions cultivate those relationships before needing the support, and make the support mutual. Local businesses, as distinct from shareholder CEO-controlled corporations, can be held accountable to local communities and to workers if the latter are organized.

When I showed up at one of my favorite union local’s picket lines to support the strikers by walking with them, I learned that landlords and merchants were providing support as well. Rent payment was deferred; bulk food was donated.

Striking workers are often stretched to the economic limit, which is why some look for other jobs while a strike is on and the least solidarity-minded of them even become strike-breakers. Small businesses can assist strikers when they most need it.

**The downside**

Small businesses include some of the biggest rip-off artists around. The earlier described MCO won countless refunds from unscrupulous merchants and professionals who ripped off members of its member organizations—roughly 100,000 people.

Which business becomes what is contested terrain. For the most part, “the left” doesn’t contest it. Most unions don’t try to organize their workers. I’ll return to this point.

**Small Business and “Big Government”**

**Mitigation Impact Funding**

When utility, internet or phone companies or government dig up streets, block sidewalks, eliminate street parking and detour foot and wheel traffic for whatever purposes, there is no mitigation impact funding (there are some exceptions to this) for the small businesses along those streets that are hurt and sometimes forced to close as a result of government or government-regulated action. Why not?

The “why not” answer is that small business associations lack the clout to get it. Big business organizations aren’t interested in helping them get it. Community, labor and other allies who could help them get it view them with suspicion because they are for the most part spoken for by anti-government conservatives.

**Urban Renewal and the Corporate State**

Why small business is suspicious of “Big Government” is well illustrated in the implementation of urban renewal from the 1950s – 1980s. Across the country stable neighborhoods that were showing signs of decline could have been renewed. Subsidized public “shell” buildings could have housed dozens if not hundreds of small businesses that would serve a surrounding community living in affordable housing. Local store fronts could have been preserved as well.

What happened? For the most part, urban renewal was the ally of major corporations and big developers. In city-after-city major league sports arenas and parks, corporate high-rises, convention centers and fancy hotels were subsidized with public money.

Small businesses often fought against these plans. I was involved in a number of these fights in San Francisco. In the South of Market area, now “Yerba Buena,” a mix of SROs and retiree housing, hundreds of auto repair, printing and small garment manufacturers, and local storefronts ranging from restaurants and barber shops to churches and nonprofits served a mostly-Anglo elderly plus Filipino community.

At a meeting of the broad alliance that formed to fight the proposed urban renewal project, an elderly Italian-American man, with a strong accent letting his listeners know he was an immigrant, rose and loudly proclaimed of the proposal, “This is fascism.” Immediately thereafter, one of the apartment hotel owners, with equal vigor, argued, “This is not fascism, it is socialism.” In fact, it was closer to the corporate state than it was to the Soviet Union.

The coalition we put together to fight the urban renewal project included auto machinists, printing trades, garment workers, hotel and restaurant workers and their unions, Filipino community organizations, churches in the targeted area including historic St. Patrick’s, retiree organizations, small business, apartment-hotel owners, and a group of African-American retiree railroad workers who lived near the train station that was a few blocks away. The Central Labor Council, AFL-CIO issued a strong statement supporting us. We had a lot of people power. But not enough to defeat the corporate, developer, construction trade and technocrat government planners arrayed against us.

Typically, government is at best a neutral party, and at worst the agent undermining small businesses. It doesn’t have to be that way.

**The North Dakota State Bank**

While most banks in the post-corona virus pandemic have used their bailout money to assist bigger asset, more predictable, more likely to take out larger loans businesses, that’s not the case in North Dakota. Why? The now-100 year old state bank is focusing its help on small faarmers and small businesses that would have otherwise gone under. That was the original intent of the Non-Partisan League-led government that had thrown out the incumbents and come to power on a “government should help you” program that won the support of the state’s small farmers who were fighting railroads, bankers, big grain elevators and others.

No government, neither Republican nor Democrat, since then dared to challenge the existence of this bank. Its well-deserved reputation in the state makes it beyond attack.

**Mileston Again**

Hartman Turnbow, the Mississippi African-American farmer I earlier introduced, owned a family farm that was a legacy of the Farm Security Administration (FSA) program, a soon-abandoned New Deal effort to create and support independent farmers. “Mileston farmers,” the *Mississippi Encyclopedia* informs us, “were crucial to the success of both the Holmes County and Mississippi movements …[They were] “one of the strongest chapters of the Mississippi Freedom Democratic Party, and ultimately led the way in the election of [African-American] Robert Clark to the Mississippi legislature in 1967.” When other Black politicians abandoned MFDP, Clark remained loyal.

But FSA was the exception. The Department of Agriculture was largely an agri-business subsidiary, and Congress and the President were its allies. It was Dixiecrat-owned plantations (and agribusiness in general) that were the principal beneficiaries of Federal policies.

**Nebraska**

In rural Nebraska, where I worked with The Great Plains Project during the 1980s farm crisis, it was federal policies that contributed to the disappearance of family farms. Nor did these policies begin or end then.

Federal policy played a role in the shrinkage of rural population throughout the country which, in turn, led to shrinking small towns, school and school district closures because there was no longer a population and tax base to support them, and the shut-down of “main streets” that served rural America.

**California**

In California, vast corporate-farms benefitted from the 1902 Newlands Reclamation Act’s federally subsidized interest-free loans despite a specific water limitation to farms of a maximum 160 acres. The provision was ignored by the Department of Agriculture which looked the other way when multiple relatives were listed as separate owners of vast acreages.

The state’s Central Valley became the equivalent of the plantation economy of the Deep South, only its exploited workers were Dustbowl migrants (“Oakies” and “Arkies”) in the 1930s and Mexican-Americans, Mexicans, Mexican-Indians, Filipinos and others, both legal and illegal, after World War 2. Family farms never even got started. Former *Nation Magazine* editor Carey McWilliams wrote books about this in the 1930s.

California agribusiness was a bastion of the State’s conservatism for many years. Ronald Reagan’s election as governor not only resulted from a reaction to Hippies smoking pot and Free Speech Movement demonstrators at the University of California. It was also the result of big money from the state’s agribusiness, and the exclusion of migratory workers from the right to vote.

You can’t go wrong with Willie Nelson: “Our food system belongs in the hands of many family farmers, not under the control of a handful of corporations.” – Willie Nelson, Farm Aid Founder and President.

**Big Box Stores**

Throughout the country “big box” stores put small and medium city and town Main Streets out of business. Infrastructure benefits (lights, streets, traffic controls and more), relocation incentives and tax write-offs are all government programs that support the new retail giants and the malls in which they are located.

Is it any wonder that many small business owners find their spokespersons in, and give their electoral support to, anti-government politicians?

**The Construction Industry**

The construction industry largely comprises small and relatively small businesses. It is also one of the most unionized and well-paying sectors of the economy. Further, it is not hostile to government spending because many of its workers and companies already depend upon government infrastructure spending. A major infrastructure program, paid for by progressive taxation, combined with climate friendly transition spending to retrofit old energy factories and other parts of the economy to new energy is a winning political combination. But note this: it requires of environmentalists that they negotiate with building trades unions, not ignore them or make plans that claim to incorporate their interests but don’t involve them in their determination. Keep in mind the idea, “nothing about us without us.”

**Fair Taxation**

Close inspection of our country’s tax laws will uncover numerous loopholes, exemptions, deferred payments and other policies that benefit big business, but not small business. This is yet another arena in which to find common ground for the vast majority of the American people who are also discriminated against by present tax policy. A slogan might be, “Return to the conservative tax policies of Republican President Dwight D. Eisenhower.” How would current Republicans, and Democrats who have gone along with the growing inequality in the country, respond to that?

**The Political Response**

To workers in the U.S. who would become small business people and to the rural, small town and urban small business people who already exist, except for small “d” democratic populists there is little to no support from organizations “on the left”, nor is there much attention from unions. Why? Are these tens of millions of people to be written off? Are they by default to be turned over to “free market” advocates for whom ideology is more important than concrete benefits and real participation in decision-making, and, to top it off, many of whom are fronting for big business?

**The Yellow Vests**

Internationally, there is an encouraging sign. After confused and often dismissive characterizations, people who should have known better have come to appreciate the Yellow Vests of France. They are engaging with them instead of pontificating about them or making patronizing characterizations of them. That’s a first step: listening and talking with people who are hurting to find out what can be done that meets the interests and needs that are the source of their pain, then engaging them democratically to create alternatives.

In fact, a real small “d” democrat alternative is possible. But developing and articulating it requires something beyond “government programs” as they are usually understood. What might some examples be (and I want to quickly insert that I am not a policy person, so these are meant to indicate directions for thinking not well thought out legislative analyses):

**A New Homestead Act**

A 21st century Homestead Act, accompanied by assistance to restore near-ghost towns, schools and school districts, and small town main streets in rural areas of the country.

“President Abraham Lincoln signed the Homestead Act on May 20, 1862. [It] gave citizens or future citizens up to 160 acres of public land provided they live on it, improve it, and pay a small registration fee. The Government granted more than 270 million acres of land while the law was in effect.” (8)

There were flaws and abuses for which correctives would be required:

“Much of the land offered by the government was purchased by individuals acting as a ‘front’ for land speculators who sought access to the vast untapped mining, timber and water resources of the West.” And: “To make way for the homesteaders, the federal government forced Native American tribes off their ancestral lands and onto reservations.” (9)

**Revive the Farm Security Administration As It Was Before Conservatives in Congress Undermined It**

“50 acres and a mule” grant and loan program for individuals and families that want to become farmers, backed up with technical assistance for all phases of farming, aid to start marketing cooperatives and other supports, could make a huge difference. Had they been implemented during post-Civil War Reconstruction for newly freed slaves, the nation’s history would be radically different.

The New Deal Farm Security Administration illustrates some of what could be done. It also made mistakes. Let me return to the *Mississippi Encyclopedia* account of Mileston, Mississippi:

The projects coupled landownership with training, cooperative management, and economic assistance to facilitate upward mobility for a chronically poor stratum of sharecroppers and tenants. Of nearly one hundred such communities nationwide, Mileston was one of approximately thirteen that were entirely African American…

FSA purchased roughly ten thousand acres of land pieced together from several plantations and converted the land into seventy individual farm units by building houses, barns, chicken coops, outhouses, wells, and smoke shacks. Mileston also contained one larger cooperative farm operated collectively by about thirty households. The parcels, each of which contained between forty and sixty acres, were originally rented to the settlers but were ultimately sold outright for around five thousand dollars each. Eighty-three of the roughly one hundred farm families involved in the project had previously sharecropped... To coordinate the settlers’ efforts, the FSA used cooperatives to manage the farming operations, purchase home-related materials, and deliver health care. By 1943 the community boasted a farming cooperative, a new and fully appointed public high school, and a health clinic staffed by a community nurse. The farm families received training from the FSA on matters of nutrition, planning, and home management. Today, roughly six thousand acres of the original land is still owned by families of the early project participants.

At the core of the Mileston community lay the FSA-established Mileston Cooperative Association, one of the oldest black farmers’ cooperatives in the state. While individual families operated seventy of the Mileston Farms, thirty-six worked the cooperative or collective farm, Marcella Farms. The collective owned the mules, tractors, and other equipment, while each family owned its own subsistence livestock—a milk cow, hogs, and chickens. From the outset the cooperative farm idea was a difficult sell both nationwide and in Mileston, as the similarities between working the cooperative farm owned by the government and working as a sharecropper on a plantation were all too apparent. Further, given that nearly seventy of the project families were operating individual farms, cooperative participants must have felt at least somewhat envious. Beginning in 1944 the FSA sold the land to the individual families.

By 1945 the cooperative had most of the ingredients for success, with 120 members, a cotton gin, a store, a blacksmith shop, and land. The Mileston Cooperative was the center of activity, especially on Friday nights, when people gathered to play music and visit. Mileston farmers ginned their own cotton and loaded their produce directly onto train cars for sale at regional markets. The cooperative served the community for two decades.

A key community institution coordinated by the cooperative was the Mileston Medical Association….Under the guidance of nurse Earless Hope, the Health Center delivered an impressive array of services…By 1946 the FSA had been dismantled and replaced by the more conservative Farmers Home Administration…(10)

**Boston’s “Public Market”**

“The Boston Public Market is an indoor, year-round marketplace featuring 35 New England artisans and food producers housed under one roof offering fresh foods, prepared meals, crafts, and specialty items. [S]easonal, locally sourced food from Massachusetts and New England, including fresh produce, meat and poultry, eggs, dairy, seafood, baked goods, specialty items, crafts, and prepared breakfast, lunch, and dinner options [are available]. Everything sold at the Market is produced or originates in New England, as the seasons allow.

“The Market is a civic, community-building space for farmers, fishers, food entrepreneurs, neighbors, customers, and partners who come together around the common culture of food. We create opportunity for small businesses to thrive, and nourish our community with experiences, conversation, and education about public health and the impact of buying local food. Year-round festivals, workshops, cooking classes, and tours create an engaging, educational experience and a vibrant environment for everyone.

“The Boston Public Market Association, a registered 501(c)(3) not-for-profit organization, developed and operates the Market with public impact goals to support: economic development, New England food system resilience, public health and education, affordability, and access. Development of the Boston Public Market in 2015 was a partnership between the Boston Public Market Association, individual and corporate donors, foundations, the City of Boston, and the project’s seed funder, the Commonwealth of Massachusetts.” (11)

Towns and cities with neighborhoods where grocery stores have abandoned them are establishing public markets. Why not in your city, and not just one of them, as well? Similarly, public markets could offer reasonable rent in cities where store-front and other small businesses are vanishing in the face of sky-rocketing commercial space rent.

**Restore Main Streets**

Here are some ideas for programs that could help main street business:

* When public action temporarily destroys or weakens markets, mitigation impact funding should be granted to adversely affected businesses. I’m talking here about the negative consequences that accompany, for example, street closings.
* Create free small parks or inside play spaces with full-time child care staff so that parents can “check in” their kids before they shop on Main Street and “check them out” when they return.
* Assist Main Street businesses to develop marketing and other cooperatives. That can include tax, technical assistance and other benefits.
* Create a Farm Security Administration appropriate for our times, and strictly enforce its family farm protections so that agribusiness can’t sneak in through loopholes that create a back door.

The most important idea is to appreciate, listen to, and work with the people who are facing the problems. That’s the precondition to small “d” democratic policymaking. Beating the populist right requires learning from the historic populist left.

Further, we have ample experience to illustrate the proposition that legislation is typically undermined in the enforcement process. Who regulates the regulators? Too often it is the regulated who undermine the initial purpose of the legislation. Equally, if not more, important than regulation is people power organization.

**What About The Workers?**

My interest in writing this article is not simply to support small business. Most of my working life has been spent with labor unions and community organizations. My perspective is that these groups should enter into alliances with small business people to further the interests of both and to make the efforts to transform the country into a real democracy more successful. I don’t think I need to say that on some very important matters the country is going in the opposite direction. Here I want to look at small business and unions from the perspective of both benefitting from a closer relationship.

**From the Point of View of Small Business**

Small business people tend to be conservative. They sometimes, if not often, pay lower wages, and provide fewer benefits, to workers. They are more likely to discriminate on illegitimate grounds. There’s an abundance of evidence to demonstrate that workers earn more, receive better benefits, have greater health and safety protection on the job, and have a voice when they are members of a decent union. But does any of that help small businesses?

Small business people are often, perhaps typically, against unions citing increased costs, loss of control, the introduction of a “third party” in their relationship with their employees and disadvantage when compared to non-union competitors. None of this particularly bothers people on the right. It deeply troubles people on the left (and me), and is a big factor in their hostility toward small business. But are these negatives inherent?

From the point of view of a small business owner, there can be benefits in a unionized workforce, including:

* motivation and job satisfaction that lower employee turnover that, in turn, contributes to consistency in operations which, in turn, leads to greater productivity;
* long-term employees train newcomers, and they recruit friends when openings occur;
* a union of jurisdiction might have training programs for its members that are of benefit to their employers;
* union safety programs can save time and money;
* a contract eliminates the need to reach separate employment agreements with each worker.

**From the Point of View of Unions**

But can small businesses be organized, or are the obstacles too great to overcome thus relegating their employees to a lesser life than that of union member counterparts who typically work in larger businesses or the public sector? This isn’t the problem of the small businessperson; it is the problem of workers and unions. If small shops can’t be organized, the support for them becomes problematic. But they can.

District 65 organized small businesses in its heyday in New York City beginning in the 1930s:

…

District 65 became renowned for organizing workers in the shops that the rest of the established labor movement viewed as too small to bother with, or ignored because they didn’t fit neatly into their defined jurisdictions…District 65 began by unionizing shops of between ten and thirty workers, while other unions in the distributive trades focused on warehouses and workplaces with larger numbers of employees.

Not unlike the labor movement of today, many of the unions in New York City in the 1930s thought it was a waste of resources to focus on unionizing small workplaces or thought that it was impossible to organize “dead end jobs” because of their transitory nature or the improbability of establishing a regular base of dues paying members. Many of the shops would go out of business in the cutthroat competition that existed between small businesses vying over a finite customer base. Instead, District 65 focused on unionizing the most precarious jobs, and through the use of union contracts, forced employers to hire only union members through the District 65 hiring hall. (12)

And note this: in addition to the more generalized benefits for the small business noted earlier, particular situations arise in which a union can be an ally. According to the District 65 website, “In Alabama…workers at Meadowcraft, a wrought iron furniture manufacturer in Wadley and Selma, saw their lives turned upside down when Wells Fargo and several other financial institutions revoked the company’s credit and pushed Meadowcraft into involuntary bankruptcy. The RWDSU mobilized political and community support and pressured the banks funding Meadowcraft to keep the company open longer.”

A union that organizes small and medium enterprises can also be their ally in fights against: foreclosure, unfair interest rates, city planners and utility companies who ignore their interests, legislative bodies that subsidize big business, subsidies to “big box” stores that are part of what allows them to price lower than smaller Main Street competitors and in many places shut Main Streets down, and other issues.

The garment industry was stabilized in large part because of union efforts to eliminate cutthroat competition. Labor-small business alliances could create the power to win what is now won by big business—a variety of legislative, regulatory, tax and other benefits for small businesses that treat their employees and communities with dignity and respect.

**Marx and the “Petit Bourgeoise”**

Often unacknowledged, the attitude toward small business people among many on the left has it origins in a crude reading Karl Marx’ analysis of the petite bourgoisie—the small capitalists.  They, in his view, will for the most part disappear into the proletariat as the contradictions of capitalism sharpen.  Those who remain will become full members of the bourgeoisie—the ruling class.  (A current Marxist statement epitomizes the point—and problem: “small businesses are subject to the same laws of capitalist competition, and are guided by these principles to exploit labor and accumulate capital just as much as any monopoly capitalist.” (14)

Lenin repeated the error.  While he thought there had to be a temporary alliance with, in particular, the rural petite bourgeoisie in order to achieve a democratic revolution, that was to soon end as the urban and rural proletariat united to make a socialist revolution.  As he put it,  “The most widespread doctrines among advanced workers in the Romance countries, in France, Spain and Belgium, were Proudhonism, Blanquism and anarchism, which obviously expressed the viewpoint of the petty bourgeois, not of the proletarian. The decline of the petty bourgeoisie inevitably led, sooner or later, to the extinction of all kinds of petty-bourgeois prejudices…”

But history betrayed Marx and Lenin.  There are still millions of small businesses, and new ones form daily.  Not only that, there are millions more workers who want to join this petite bourgoisie.

An example of what I’m talking about:

A generation ago, college graduates were a Republican constituency. And the material basis for that affinity remains sound. There is a reason that political scientists use educational attainment as a proxy for class: The college [wage premium is large](https://www.insidehighered.com/news/2019/06/10/new-data-show-economic-value-earning-bachelors-degree-remains-high). To be sure, there is a large and growing number of [economically precarious college graduates](https://nymag.com/intelligencer/2018/02/lets-cancel-everyones-student-debt-for-the-economys-sake.html) in the United States, and this surely explains *part* of the demographic’s leftward drift. Similarly, some non-college-educated voters are petty bourgeois business owners. And high-income, low-education Americans are indeed the most reliably reactionary voting bloc in the country. But car-dealership tyrants are exceptional; the typical non-college-educated Republican voter is a worker, not a capitalist. While highly imperfect, educational attainment does still bifurcate the middle and working classes reasonably well. (15)

**An Alternative**

Is there an alternative.  I propose this:  some union that isn’t ideologically limited to business unionism should start organizing workers in small businesses.  With very small businesses, these workers might form geographic locals.  But at some point—20 members? 30 members?—they could have a local of their own that would bargain their own contract with their employer and have a strong presence to enforce the terms of that contract.  Assuming the business grew, at another point—40 members? 50 members?—there would be co-determination between employer and union local.  That is, the local would have a voice in investment and other matters that were heretofore the “sole prerogative of management.”  And at some further point, to be jointly determined by management and labor, the workers would themselves become owners of the enterprise, perhaps turning it into a cooperative in which the previous owner—assuming s/he had also remained as the person “running” the business as distinct from an absentee owner—could become the top manager employed by the workers.

Put another way, the democratization of an enterprise should accompany its growth because the larger it is the more power it will have in the society around it.  If we want a democratic society, we cannot have owners with disproportionate power over the rest of the citizenry.  Call it what you like, I call it radical democracy.

It is interesting to note that worker ownership is claimed by socialists and capitalists as their program.  Pro-capitalist Louis Kelso:  “The Roman arena was technically a level playing field. But on one side were the lions with all the weapons, and on the other the Christians with all the blood. That's not a level playing field. That's a slaughter. And so is putting people into the economy without equipping them with capital, while equipping a tiny handful of people with hundreds and thousands of times more than they can use,” and, “The one important distinction between the two factors of production is that in a free society, ownership of the human factor, labor, cannot be concentrated while ownership of the non-human factor, capital, can be.” (16)

Maybe this agreement bodes well for the idea.  I elaborate on this agreement in “Putting ‘isms’ in Their Place:  A Review Essay” that looks at socialist, capitalist and religious thinkers who agree on the importance of worker-owned cooperatives. (17)

Will people on the left abandon their condescending across-the-board characterizations of “the petit bourgeoisie” as hopelessly right-wing and/or backward?  Some have; more need to.

**The Questions of Control and Creativity**

Among the reasons given by small business owners to explain why they put endless hours into their enterprises is that they control them. Further, they see them as creative expressions of themselves. Is that important to assembly line and other workers who do repetitive, segmented and often meaningless work all day long? I think so. “Scientific management,” developed by Frederick Winslow Taylor, and applied in Henry Ford’s early assembly lines, treated workers as adjuncts to machines. The more routine, discreet, segmented and narrowly defined it could be, the less chance for error and the greater opportunity for increased productivity. Taylor thought workers don’t like work and were principally motivated by money. (18) His approach came to be called “Taylorism.” It was famously parodied in Charlie Chaplin’s comedic criticism of it, *Modern Times*, in which an assembly worker uses hands, feet and a broom attached to his rear-end to do repetitive jobs.

**The Problem is Deeper Than Ideology or Message**

For most small business people “socialism” = big government. For many of them, “big government” has a bad reputation, often born of experience. And historically “socialism” has been big government—whether of the Communist, Social Democrat or New Deal/welfare state variety. Telling people that your kind of socialism is different isn’t going to cut it. You can’t talk people out of their experience or of ideas deeply embedded in their consciousness. In fact, it’s likely they won’t even listen to you so you won’t have a chance to do the talking.

That problem is compounded by the fact the “socialism” is now conflated in the minds of many White Americans with a form of elitism that holds them in contempt. Donald Trump plays to their resentment. Unfortunately, there is some truth in that perception. It’s not just Hilary Clinton’s use of “deplorables” that’s in their minds. How often have you said or thought, “Why do they vote against their interests?” Author Thomas Frank captures this view clearly in *What’s the Matter With Kansas?*:

Strip today's Kansans of their job security, and they head out to become registered Republicans. Push them off their land, and next thing you know they're protesting in front of abortion clinics. Squander their life savings on manicures for the CEO, and there's a good chance they'll join the John Birch Society. But ask them about the remedies their ancestors proposed (unions, antitrust, public ownership), and you might as well be referring to the days when knighthood was in flower. (19)

Democrats, who are associated with “big government” contribute to the problem. Frank notes:

The Democratic Leadership Council, the organization that produced such figures as Bill Clinton, Al Gore, Joe Lieberman and Terry McAuliffe, has long been pushing the party to forget blue-collar voters and concentrate instead on recruiting affluent, white-collar professionals who are liberal on social issues. The larger interests that the DLC wants desperately to court are corporations, capable of generating campaign contributions far outweighing anything raised by organized labor. The way to collect the votes and -- more important -- the money of these coveted constituencies, "New Democrats" think, is to stand rock-solid on, say, the pro-choice position while making endless concessions on economic issues, on welfare, NAFTA, Social Security, labor law, privatization, deregulation and the rest of it. (20)

What follows? Frank thinks Kansans should join the fight to reclaim the Democratic Party of New Deal times. That’s a difficult challenge. Having been lied to a number of times by Democrats, they have been convinced that a cosmopolitan/internationalist (anti-American)/effete/Chardonnay-sipping/contemptuous-of-them/etc elite now runs things. Given the choices available, they either stay home or vote their resentment. If I were in their shoes, I would have too.

The problem is not just American. Krizna Gomez observes:

The reason that bodies like the European Union, and even human rights activists, are struggling to respond to populist attacks is that they have become technocrats: they are detached from communities, they speak in jargon no one else understands and they promote policies that are often decided in spaces which most people cannot enter.

…[W]hen we have to reach into the emotions and values of our societies, we stutter and look for consultants to help us speak our minds. (21)

Don’t conclude that the situation is hopeless. Rather, conclude that liberals/ progressives/leftists have to get their hands dirty and enter the arena of struggle on the issues that small farmers, merchants and businesspeople care about. Listen to them; develop relationships with them; stand in their shoes; become their on-the-ground allies. And I mean more than clicking on a screen to sign a petition on their behalf. (Note: there are exceptions to what I’ve said here, particularly with family farmers.)

And to add my own particular point of view here, let me echo this from Susan Griffin:

I think that democratic socialism will not solve all our problems because ecology and building local infrastructure and local community are terribly important, and that’s not necessarily a concept that comes automatically in democratic socialism…[E]mphasizing local governance, understanding of your own watershed, building community are really terribly important to changing the world in the way that it needs to be changed. (22)

**Conclusion: The Big Picture**

I hope the reader is persuaded that we must separate in our thinking small business and big business, that the two are qualitatively different in character, that small businesses can become (when they are not already) important allies in the struggle for social and economic justice. And to make it clear: small business includes small farmers, entrepreneurs, self-employed professionals and those who supplement their income with a “home business” they operate from a study or garage.

We will not get a handle on species extinction, global warming, loneliness and the destruction of community, or any other of a wide range of social, economic, political and cultural ills if we do not restore living at a human scale. To get people out of their cars and onto the streets or in public transportation requires rebuilding and renewing neighborhoods, small and medium size towns, and urban downtowns. That, in turn, requires a creative program of tax benefits, technical assistance, subsidies, infrastructure development (for example: how about free jitneys that take residents to and from their home to a neighborhood shopping strip?) and other supports for small and medium size businesses.

We will not be able to get a handle *on that handle* without broadly-based community organizations that include homeowners and small business people as constituents and decision-makers. I’ve already told stories about how that was done in San Francisco’s Mission District (21). But we only scratched the surface of what a more imaginative approach to our local merchant and business strips on 24tth, 18th, Mission, Valencia and other key neighborhood streets might have been.

Nor will we get a handle *on the handle* required *to get a handle* on the concentrated wealth and power of our times without protection for workers in small businesses who are among the most exploited. San Francisco’s vigorous agency that enforces its living wage ordinance offers lessons. Its former director told me that he and his staff were constantly on the go responding to complaints about unpaid overtime, withheld wages and other grievances workers without a decent union face. And there is more than stopping exploitation by predator business here. District 65 that I described earlier demonstrated that these workers can be organized into unions, the historic New York region garment worker unions, the coal miners union and others demonstrated historically that they can become allies of small business.

Are there organizers out there who will take up the challenge?

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He is author of *Community Organizing: A Brief Introduction* (Euclid Avenue Press/Milwaukee) and *A Community Organizer’s Tale: People and Power in San Francisco* (Heyday Books), co-author of *The People Fight Back* (Organize Training Center/San Francisco), and co-editor of the recently published *People Power: The Organizing Tradition of Saul Alinsky* (Vanderbilt University Press). He adapted and abbreviated for publication Rachel B. Reinhard’s PhD dissertation *The Politics of Change…The Mississippi Freedom Democratic Party: A case study of the Rise and Fall of Insurgency*, and is currently writing *An Organizer's Life: Behind the Slogan*. (Euclid Avenue Press/Milwaukee).

He lectures, mentors and leads workshops in community organizing, and has taught community organizing, urban politics or political science at major universities, including University of California, Stanford, University of Wisconsin-Milwaukee, Notre Dame (Catholic Committee on Urban Ministry), San Francisco State, Hayward State and Lone Mountain College.

He has consulted with labor, religious, broad-based community, interest and identity organizations at the local, regional, state and national level.

As an “on-the-ground” organizer, he worked with public housing tenants on New York’s Lower East side, an African-American community in Kansas City, MO, as lead organizer for broadly-based community organizations in San Francisco, CA, and as staff director of the California Citizens Action League.

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346 words bio; edit as your space limits require