

Silver Lining to Bad Economy: Move Toward Local, Employee-Owned, Green Businesses Again

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Back in the 1970s and '80s, there was a move toward worker co-ops and worker-owned businesses (ESOPs) and thousands of those businesses formed.

Some of you may remember Spain's Mondragón Cooperative, which was invoked as an inspiring model and still exists today, and the National Center for Employee Ownership, which fostered the formation of businesses focused on the local economy and owned by the people who work there.

Today, as people question the structure of the US economic system, interest in them is rising again. The "job creators" are actually not big corporations, but local, small businesses.

In Cleveland, Ohio, the "Cleveland Model" is creating a complex of worker-owned enterprises that service the \$3 billion purchasing power of large "anchor institutions" there: the Cleveland Clinic, University Hospital, and Case Western Reserve University. A revolving fund uses some of the business profits to help establish new ventures.

Evergreen Cooperative Laundry is one of the companies in the Cleveland model - its state-of-the-art, green commercial laundry provides clean linens for area hospitals, nursing homes, and hotels. It employs 50 people and operates out of a LEED-Silver building, where it uses a third of the water as conventional competitors. Employee-owners get above-market wages and health insurance.

Another company, Ohio Cooperative Solar, provides weatherization services and installs, owns, and maintains solar panels on the rooftops of large university, hospital, and civic buildings. It's on track to more than double Ohio's statewide solar generating capacity of 2 megawatts by the end of 2012.

A 3.25-acre commercial hydroponic greenhouse broke ground in October that will produce three million heads of lettuce a year.

A 20-acre land trust will ultimately own the land upon which many of the businesses are situated and will serve as a first step to facilitate development in targeted neighborhoods of urban agriculture, and, when conditions permit, affordable housing.

The Cleveland model is based on Mondragón and backed by the city's mayor, has implemented many of the same municipal, state, and federal tax, loan and other incentives available to any business. It is suggesting ways to make city officials less vulnerable to demands by major corporations seeking huge tax and other inducements to locate, often temporarily, in the city.

In the midst of the worst financial crisis in modern history, Cleveland's worker-owned co-ops were able to secure bank financing for key projects.

The effort has also struck a chord among activists and economic development practitioners throughout the nation who are concerned with the collapse of the economic core of many cities. Exploratory efforts are currently underway to replicate aspects of the Cleveland model in Atlanta, Pittsburgh, Washington, D.C., and several other communities.

It's the basis for new national legislation about to be introduced by Sen. Sherrod Brown (D-OH) to provide federal support to test the approach in other cities.

Read the full article:

Website: http://www.alternet.org/story/153646/america_beyond_capitalism%3A_is_it_possible?page=entire

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