

s in Cleveland n and State Socialism



hand) is Green City Growers, which will build and operate a year-round hydroponic food production greenhouse in the midst of urban Cleveland. The 230,000-square-foot greenhouse—larger than the average Wal-Mart superstore—will be producing more than 3 million heads of fresh lettuce and nearly a million pounds of (highly profitable) basil and other herbs a year, and will almost certainly become the largest urban food-producing greenhouse in the country.

Organizers project that an initial complex of ten companies will generate roughly 500 jobs over the next five years. The co-op businesses are focusing on the local market and the procurement needs of large hospitals and universities that provide a partially guaranteed market. Evergreen Business Services has been launched to support the growing network by providing back-office services, management expertise and turn-around skills should a co-op get into trouble down the road.

Significant resources are being committed to this effort by the Cleveland Foundation and other local foundations, banks and the municipal government. The Evergreen Cooperative Development Fund, currently capitalized by \$5 million in grants, expects to raise another \$10-\$12 million—which in turn will leverage up to an additional \$40 million in investment funds. Indeed, this may well be a conservative estimate. The fund invested \$750,000 in the Evergreen Cooperative Laundry, which was then used to access an additional \$5 million in financing, a ratio of almost seven-to-one.

An important aspect of the plan is that each of the Evergreen cooperatives is obligated to pay 10 percent of its pre-tax profits back into the fund to help seed the development of new jobs through additional co-ops. Thus, each business has a commitment to its workers through liv-

ing-wage jobs, affordable health benefits and asset accumulation and to the general community by creating businesses that can provide stability to neighborhoods.

The overall strategy is to position all the worker-owned co-ops as the greenest firms within their sectors. Even more crucial is getting the business of hospitals and other anchor institutions trying to shrink their carbon footprint.

Strikingly, the project has substantial backing, not only from progressives but from a number of important members of the local business community as well. Co-ops in general, and those in which people work hard for what they get in particular, cut across ideological lines—especially at the local level, where practicality, not rhetoric, is what counts in distressed communities. There is also a great deal of national buzz among activists and community-development specialists about "the Cleveland model." Potential applications of the model are being considered in Atlanta, Baltimore, Pittsburgh, Detroit and a number of other cities around Ohio.

What's especially promising about the Cleveland model is that it could be applied in hard-hit industries and working-class communities around the nation. The model takes us beyond both traditional capitalism and traditional socialism. The key link is between national sectors of expanding public activity and procurement, on the one hand, and a new local economic entity, on the other, that "democratizes" ownership and is deeply anchored in the community.

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