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“Dirty Laundry goes away green” – Evergreen Cooperatives, local good news

A couple weeks ago I toured Evergreen Cooperative Laundry at the north end of East 105th. I was one of a dozen folks who heard the story and then walked the entire facility. It was clean, computerized, and efficient. The worker-owners were focused and friendly. At the end of the hour, I had only one question: “What can I do to help?”

I can't remember the last time I was so impressed in such a short time by the efforts of just two-dozen folks. And they were laundering soiled hospital linens! At first glance, this does not appear to fall into the “ministry” model that is our focus in the *Beacon*, but everything about Evergreen aligns with the gospel call for justice.

James Anderson led the information session and the tour. Claudia Oates, Sales and Outsourcing Director, filled in with anecdotal references to customer satisfaction and efforts taken to keep client's current laundry staff employed.

“Due to his 20 years of experience working at employee-owned firms in the steel industry, Anderson knew that companies following this model tend to have lower turnover, lower absenteeism, and higher productivity than firms in the same industry that are not fully owned and managed by their employees.” [Apollo News Service, April 17, 2010]

According to their website: “Evergreen Cooperatives of Cleveland are pioneering innovative models of job creation, wealth building, and sustainability. Evergreen's employee-owned, for-profit companies are based locally and hire locally. We create meaningful green jobs and keep precious financial resources within our community. Our workers earn a living wage and build equity in their firms as owners of the business.”

The first Evergreen Cooperative businesses (Evergreen Cooperative Laundry, Ohio Cooperative Solar, and Green City Growers Cooperative) launched in 2009 and 2010.

Evergreen is a partnership between the residents of six East Side neighborhoods and some of their most important “anchor institutions”: the Cleveland Foundation, the City of Cleveland, Case Western

Reserve University, the Cleveland Clinic, University Hospitals, and many others. These anchors spend \$3 billion annually on goods and services. To explore ways to keep those dollars in the neighborhood, a great deal of interviewing, data gathering, and strategizing took place before laundry services, solar power, and a greenhouse initiative were determined to be the initial pistons for progress.

“If you can link wealth building and ownership opportunities to the creation of green jobs, then you maximize benefits to workers and you stabilize communities,” said Ted Howard, founding executive director of The Democracy Collaborative at the University of Maryland and one of the architects of Cleveland's groundbreaking Evergreen Cooperative Initiative. [Apollo]

The laundry contracts with nursing homes to pick up, launder, and return hospital linens, everything from wash clothes and sheets to terry robes and pillowcases. Soiled items are sorted by hand, weighed and separated into manageable lots, and then washed in state-of-the-art industrial machines according to strictly mandated specifications. Evergreen saves water and energy by utilizing sustainable technologies so well that Anderson suggests potential clients can save 30-50% of their laundry costs.

The real “heart” of the Evergreen story, however, rests with the employees. They live in Cleveland neighborhoods where unemployment is 20-25%, and more than 30% of the families live in poverty. New hires can start at Evergreen as “temporary” workers for six months. During that time, there will be two face-to-face evaluations by two co-workers. If they demonstrate successfully that they can be on time and contribute to the bottom line, they are invited to be owner-workers with a living wage and full benefits. Their \$3,000 employee “buy in” share is paid for over three years with a 50¢/hour deduction from their pay. After eight years, employees can accumulate as much as \$65,000 in their account, enough for a down payment on a home or



a college tuition.

“And 90% of our worker-owners are felons,” said Anderson proudly. He did not have to tell anyone in the cramped multi-purpose room how significant that statistic was. Felons are otherwise unemployable. But at Evergreen, they can put their lives back together, building on a strong Evergreen foundation. Surrounded by dirty laundry, these women and men work with and for each other with hope.

Evergreen is a cooperative that was modeled after a success story with roots in the Basque Region of Spain. It was post civil war and both the people and the economy of Spain were in shambles. In 1941 Fr. José Maria Arizmendiarieta was sent to a tiny town, Arrasate, to begin his pastoral work.

In 1943, Arizmendi (*shortened*) set up a Polytechnic School, now the Mondragón University, a democratically administered educational center open to all young people in the region. He set up the school with money from local people collected on street corners. He taught many students himself. The school played a key role in the emergence and development of the cooperative movement, educating and empowering the townsfolk.



Fr. Jose Maria Arizmendiarieta (1915-1976)

“What's really impressive about the Mondragón Corporation is that 50 years ago that region was poorer than Cleveland. It had lower education rates and a really high unemployment rate,” said Lillian Kuri, program director for architecture, urban design and sustainable development at the Cleveland Foundation. “By creating this network of cooperatives (they now have more than 100 co-ops and 120,000 employee owners) they really stabilized this region of Spain. It's built on innovation, it's built on democratic principles, and it's built on real market forces. It's sustainable.” [Apollo]

Today, the associated Mondragón Cooperatives manufacture automobile parts, electronic components, valves, taps, and appliances. They have a full line of retail outlets. Their bank has more than 100 branches, they offer a full range of insurance, and take care of their own social security and health

insurance programs. They are not only holding their own within the “globalizing” economy, they are expanding. (justpeace.org)

All authority is vested in the “general assembly,” which consists of all the worker-owners of the enterprise: one person > one vote.

For seventy years, the Mondragón model in the Basque region has prospered because employment is based on solidarity. This is remarkably evident when it comes to regulating wages. The average compensation ratio between managers and laborers is 5 to 1, a rate that is determined by the owner-workers themselves. Perhaps this example, more than any other noted here, is responsible for Mondragón's sustainability.

Pope John Paul II underscores the importance of the worker in the hierarchy of industry and technology: “We must first of all recall a principle that has always been taught by the Church: the principle of the priority of labor over capital.” (*Laborem Exercens*, Sec.12. 1981)

The goal of the Evergreen Cooperative Initiative is to catalyze the creation of up to ten new for-profit, worker-owned cooperatives over the next three to five years that will employ approximately 500 residents. Eventually, the Evergreen partners hope to go way beyond 500 jobs toward a number closer to 5,000. They also want to provide career ladders for employees by allowing them to advance into higher-level positions at other cooperatives that are part of the network.

I see Evergreen as a helping hand for “at risk” neighborhoods, a welcome effort that enables residents to help themselves. I have been contacting everyone I know in the nursing home industry and telling them the Evergreen story. I am hearing from them that in Ohio the “bed tax” has just tripled and that Medicare reimbursements are down. Their budgets are being hammered through no fault of their own. Do you know someone you can call?

My one-hour tour convinced me that Evergreen Cooperative Laundry is a many faceted blessing. It is reducing the carbon footprint for nursing homes, offering them cost savings at a critical time, and opening doors for men and women where there were only closed doors before. The Evergreen Cooperatives are contributing partners in the rebuilding of a city and the lives of her residents.