

Rooting Economic Change

Harnessing Industry Knowledge, Value Chain Networks, and Worker Ownership
in Manufacturing to Bring Real Benefits to People and Communities

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Opportunity Threads, The Carolina Textile District, and The Industrial Commons: Morganton, NC.

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Preface: A Worker's Story

Good manufacturing jobs can change people's lives.

Alfonso works at a mid-sized textile manufacturing firm, Opportunity Threads, in the rolling Appalachian foothills of Morganton, North Carolina. Alfonso, who is 26, joined Opportunity Threads in 2011 as a fabric cutter. He immigrated to the US when he was 16, leaving the economic challenges of war-weary Guatemala. Before joining Opportunity Threads, he had inconsistent employment that only allowed him to work a few days a week. At Opportunity Threads, he has thrived: he became a leader in the business; he has had a significant increase in wages; and he and his family just bought their first home (with support from North Carolina-based Self Help Credit Union).

At Opportunity Threads, there are 23 workers like Alfonso. All but two are Latino or Latina. Most are refugees from Guatemala, like Alfonso. Most struggled to find steady, dependable work at fair wages before joining Opportunity Threads. Alfonso and his co-workers now have good, high-quality manufacturing jobs at Opportunity Threads. They enjoy their work. They earn a decent living. They have started savings accounts and college funds for their children. Six worker-owners have bought their own homes. All of them make more than a living wage. Workers at Opportunity Threads have moved out of poverty, into economic stability.

And they are now able to give back to their community. They give their time and their money. They are involved in their children's education, communicating with teachers, serving on Parent Teacher Associations, donating money to their children's schools' efforts. They are involved in their churches. They participate in the life of the church, give their time to church activities, and donate money to churches' work. They are productive at work, and productive outside of work to improve their community and make it a better place to live for everyone.

Finally, the workers at Opportunity Threads lead lives that are rich and full. The work is rewarding, and they have fun doing it. Their lives are stable, and they make time for joy, fun, friends, and family. One Opportunity Threads worker plays in women's soccer leagues; she is a particularly good defender. Another works as an after-hours DJ; he likes to DJ bachata music, and another worker is an excellent bachata dancer. One worker loves to belt out Katy Perry songs with her kids.

Several workers run to stay healthy and let off steam. They have lunch-time soccer games at work, and the plant has a team that plays together in the local soccer league. Working at Opportunity Threads has allowed them not only to move out of poverty, into economic stability; it has given them a base from which they can build rich, full, meaningful lives; thriving families; and strong communities.

Part One: Opportunity Threads

Networked, creative, and organized workers and manufacturing firms create good jobs in rural communities.

OPPORTUNITY THREADS: BROADER ECONOMIC CONTEXTS

North Carolina's once-thriving textile manufacturing industry has been in decline.

Opportunity Threads is located in the foothills of Western North Carolina. For generations, communities across the Carolinas have been makers, crafting some of the finest textiles and furniture on the market. By the 1920s, the Carolinas were producing \$191 million in textiles annually, and by 1923, North Carolina had overtaken Massachusetts as the leading textile-producing state in the nation.¹ The Western Piedmont region of North Carolina, located east of Asheville and west of Greensboro, continued to be a leader in manufacturing until companies started moving their production abroad or offshore starting in the 1990s.² Due to this offshoring shift, the Hickory-Morganton-Lenoir MSA (Metropolitan Statistical Area) lost over 47,000 manufacturing jobs from 1995 to 2010.³ Subsequently, the area lost more than 18 percent of its 25- to 34-year-old population as young people sought a future outside of the region.⁴ While global trade has often been blamed for these shifts, a large percentage of these jobs would have been lost to mechanization and automation anyway. For example, Parkdale Mills in Gaffney, SC, produces 2.5 million pounds of yarn a week with about 140 workers; in 1980, that production level would have required more than 2,000 workers.⁵

Yet textile manufacturing in North Carolina is now starting to come back.

Despite the economic hit and job losses in these industries, the region maintained (and still maintains) a skilled workforce, infrastructure, and intellectual and industry know-how in various manufacturing sectors. Even

¹ Brent D. Glass, Kelly Kress, Gene Purcell, and Douglas A. Wait (2006), "Textiles," <http://ncpedia.org/textiles-part-2-rise-north-carolina>.

² Duke Center on Globalization, Governance & Competitiveness (2016), "Textiles and Apparel," <http://www.ncglobaleconomy.com/textiles/overview.shtml>.

³ Interview with Taylor Dellinger (2016), Western Piedmont Council of Governments.

⁴ Tom Bell (2011), "Hickory MSA Census Results," <http://www.housingvisionscatawba.org/censusdatareport.pdf>.

⁵ Stephanie Clifford (2013), "U.S. Textile Plants Return, With Floors Largely Empty of People," New York Times. http://www.nytimes.com/2013/09/20/business/us-textile-factories-return.html?pagewanted=all&_r=0.

though 120,000 jobs left the state between 1995 and 2010,⁶ there are still approximately 30,000 people employed in textiles and 340,000 in manufacturing in North Carolina.⁷

Further, textiles have recently started to come back to Western North Carolina. Based on data collected by the North Carolina Department of Commerce, between 2014 and 2015, employment in textile manufacturing increased 13.5% in Western North Carolina (compared to a 1% increase statewide), and textile industry total establishment increased 13% across the region (compared to a 1% decrease statewide).⁸ Western North Carolina was recently named as one of 10 national “emerging hubs” or “hot spots” of textile manufacturing (and the only rural hub) in a *Textile Insight* magazine article.⁹

In an interview, Opportunity Threads’ Molly Hemstreet expressed some frustration with the tendency of many people to bemoan (prematurely) the death of textiles in the United States:

“A big problem for us is the way our industry is framed. What we’re always up against is ‘textiles is dead, textiles is dead, textiles is dead.’ Well, if it’s dead, why did all these people call us this week? Why are we booked six months out?”¹⁰

In a video on The Carolina Textile District (which is described below in Part Two), Eric Henry, owner of a mid-sized North Carolina manufacturing company called TS Designs, proposes that textiles can be reinvented by drawing on the skills that we already have in local communities:

“Everybody says, ‘Well, we need to go get Company X or Company Y.’ No, that’s what broke us in the first place. The solution lies within the community which you live in.”¹¹

In the same video, Johnnie Carswell, a County Commissioner in Burke County, NC, sounds a hopeful

⁶ Interview with Taylor Dellinger (2014), Western Piedmont Council of Governments.

⁷ U.S. Department of Labor (2013), “May 2013 State Occupational Employment and Wage Estimates North Carolina,” Bureau of Labor Statistics. http://www.bls.gov/oes/current/oes_nc.htm#51-0000.

⁸ Carolina Textile District, internal document on number of establishments and employment over the past five years for the textile industry in North Carolina and in the “western region” of the state; data obtained from the North Carolina Department of Commerce Quarterly Census Employment and Wages.

⁹ Suzanne Blecher (2015), “10 Emerging Design and Production Centers for Domestic Apparel, Footwear, and Accessories.” *Textile Insight*. <https://www.vmora.com/wp-content/uploads/2014/06/Textile-1.pdf>

¹⁰ <http://community-wealth.org/content/how-worker-cooperative-factory-helping-bring-textile-manufacturing-back-north-carolina>

¹¹ Carolina Textile District, “Thriving Here” (2016), https://www.youtube.com/watch?v=X8hez_e_Ac4

note on the re-shoring of North Carolina’s textile industry:

“The textile industry actually moved [overseas] before furniture did. And a lot of people [across North Carolina, but in Western North Carolina in particular] started losing their jobs when everything went overseas. But, now, it’s coming back!”¹²

OPPORTUNITY THREADS: ORIGINS AND ROOTS

Opportunity Threads emerged from a vision for a worker-owned, immigrant-led textile firm.

Growing up in Morganton, Molly Hemstreet watched the economic unraveling of her community and wanted to explore a social enterprising model where industrial work was not so easily extracted. She started Opportunity Threads in 2008.

In a video on The Carolina Textile District, Molly describes her vision for founding Opportunity Threads:

“The [textile] industry did leave [North Carolina and the US] because it was chasing a bottom line that was based on cheap labor. And I think cheap labor is ultimately unfair, wherever it is – whether it’s here or whether it’s somewhere else. And seeing that, I started asking this question, you know, ‘Is there a different way? Is there a way for the workers themselves to actually own the plants?’

“I think cheap labor is ultimately unfair, wherever it is – whether it’s here or whether it’s somewhere else.”

Molly Hemstreet, Opportunity Threads

So it was this interesting marriage of the immigrant community coming with a lot of textile and sewing knowledge, and then this opportunity opening up too of creating a worker-owned space. And I think quite honestly those folks were driven to say, ‘Yes, let’s do something differently; let’s try to create a workspace that looks different.’”¹³

Opportunity Threads is now one of the strongest worker-owned, immigrant-led, manufacturing firms in the United States. The firm started with only two employees and has expanded to 23 full-time workers, growing to \$1.2 million in sales and leveraging \$8 million in client sales.

OPPORTUNITY THREADS: A FOCUS ON WORKER OWNERSHIP

Opportunity Threads is worker-owned.

¹² Carolina Textile District, “Thriving Here” (2016), https://www.youtube.com/watch?v=X8hez_e_Ac4

¹³ Carolina Textile District, “Thriving Here” (2016), https://www.youtube.com/watch?v=X8hez_e_Ac4

Opportunity Threads is a worker-owned, immigrant-led textile manufacturing cooperative.¹⁴ Everyone at Opportunity Threads is hired with the expectation of becoming a worker-owner. Worker ownership means that if a worker stays on at Opportunity Threads, they are given the opportunity to be an owner in the company. They are voted in by the members of Opportunity Threads after a vetting process of 12-18 months. Ultimately the workers themselves and their families are the beneficiaries of the success and growth of this business. Each member-owner buys into the company and has an equal vote in the business's decisions. Everyone who works at Opportunity Threads is paid a living wage.

Worker ownership leads to strong firms with committed workers.

The workers at Opportunity Threads love their work. This is more common in worker-owned businesses than it is in others. For example, Cooperative Home Care Associates, the largest US worker-owned cooperative, has a 15% employee turnover rate compared to 40-60% turnover industry-wide.¹⁵ Strong firms with committed workers can make hard factory work competitive. In fact, worker coops are 2-6% more profitable than their peers.¹⁶ The cooperative movement is gaining traction, and there are now several hundred worker-owned cooperatives in the US. What makes Opportunity Threads unique is its focus on low-to-moderate wage workers, its presence in an industry long known for marginalizing employees, and its democratized workplace management and governance.

OPPORTUNITY THREADS: A FOCUS ON CREATING GOOD JOBS

Bad jobs are characterized by irregular work and inadequate pay.

As mentioned, many workers at Opportunity Threads had a previous work history where they moved from one bad job to another. Bad jobs are characterized by inadequate, irregular pay and near-constant instability: part-time work, seasonal work, variable hours, unpredictable schedules, and wage theft.¹⁷ Bad jobs lead to poor health outcomes, high stress, and low self-worth.

Good jobs provide consistent work, a living wage, and strong safety standards.

¹⁴ Sanjay Pinto and the Surdna Foundation (2016), "Ours to Share: How Worker ownership Can Change the American Economy." <http://www.surdna.org/images/pdf/OursToShareWeb1.pdf>

¹⁵ Hilary Abell (2014), "Worker Cooperatives: Pathways to Scale," Project Equity. <http://www.project-equity.org/worker-cooperatives-pathways-to-scale/>.

¹⁶ Democracy at Work Institute, "US Worker Cooperatives: A State of the Sector," <http://institute.coop/news/us-worker-cooperatives-state-sector>.

¹⁷ Steven L. Dawson (2016), "Make Bad Jobs Better: Forging a 'Better Jobs' Strategy." The Pinkerton Foundation. <http://www.thepinkertonfoundation.org/paper/make-bad-jobs-better-forging-a-better-jobs-strategy>

Good jobs, on the other hand, signal a move from economic instability to stability.¹⁸ Good jobs provide a living wage, consistent and predictable hours, benefits, and strong safety standards. Good jobs encourage workers to have a level of control over their work, and to contribute to the larger purpose of the business.¹⁹ Businesses aiming to provide good jobs may provide access to financial literacy and financial planning, homeownership counseling, and perhaps a company-sponsored emergency loan fund to cover employees' emergency expenses. Good jobs seek input from employees; the ultimate expression of democracy in the workplace is worker ownership, where workers have complete ownership and control of the business, its decision-making, and its growth.²⁰

The work of making jobs better is important for improving people's lives.

Jobs at Opportunity Threads have all of the characteristics of good jobs outlined above. This conceptualization of good jobs is important. Through its work with The Industrial Commons (described in Part Three below), Opportunity Threads aims to share its positive experiences related to worker ownership. But even when businesses decide that worker ownership is not the right business model for them, Opportunity Threads and The Industrial Commons can help them see the possibility of transforming their jobs into higher-quality jobs. Higher quality jobs result in better lives for workers and their families. Opportunity Threads hopes that all of the companies that they come into contact with are thinking about and working towards making the jobs in their businesses better for their workers.

OPPORTUNITY THREADS: A FOCUS ON PROFIT AND GROWTH

Opportunity Threads is worker-owned, but it is still relentlessly focused on profit and growth.

While Opportunity Threads differs from many manufacturing firms in its focus on worker ownership and high-quality jobs, it is also similar to most manufacturing firms in its relentless focus on profit and growth. In some ways, Opportunity Threads can be seen as a "social enterprise," an effort to create good jobs for people who have a hard time finding good jobs elsewhere. But as Steven L. Dawson points out, many social enterprises are not built upon hard-nosed business practices.²¹ Often leaders of social enterprises lack business knowledge.

¹⁸ Steven L. Dawson (2016), "Make Bad Jobs Better: Forging a 'Better Jobs' Strategy." The Pinkerton Foundation. <http://www.thepinkertonfoundation.org/paper/make-bad-jobs-better-forging-a-better-jobs-strategy>

¹⁹ Maureen Conway and Steven L. Dawson (2016), "Restore the Promise of Work: Reducing Inequality by Raising the Floor and Reducing Inequalities." The Aspen Institute. <http://www.aspenwsi.org/wordpress/wp-content/uploads/Restore-the-Promise-of-Work-The-Aspen-Institute-2016.pdf>

²⁰ Sanjay Pinto and the Surdna Foundation (2016), "Ours to Share: How Worker ownership Can Change the American Economy." <http://www.surdna.org/images/pdf/OursToShareWeb1.pdf>

²¹ Steven L. Dawson (2017), "Social Enterprise: Proceed with Caution." The Pinkerton Foundation.

This may result in poor choices related to selecting business areas to move into, financing and staffing a business, managing risks, and leveraging successes.

Opportunity Threads focuses as much on profitability as on creating good jobs. One of the major areas of focus for all of the workers at Opportunity Threads has been to develop internal monitoring systems that all workers regularly use to make sure that all of their work is productive and profitable. At the end of a day's work, each worker has the data to immediately see if the work they did that day was profitable for the business. In an interview, Opportunity Threads' Molly Hemstreet outlines pieces of this internal monitoring system:

“The workers have some really interesting tools that they’ve developed to help here. They go around on an hourly basis and check everybody’s productivity. Everyone is paid by the hour, but everyone also gets an hourly check-in on their productivity and they get a daily score, and this goes on this big whiteboard: are you making your productivity or are you not? This isn’t just telling people you have to be productive and you have to watch quality, but actually helping them do that by giving them the tools they need. Really, it’s just simple feedback on a regular basis—and it’s all imperfect. We’re learning, you know? We make mistakes all the time, but we sit down every week for an hour and a half and we hash through it all. We’re just making it up as we go, honestly.”²²

Similar monitoring systems look at profitability at the level of contracts or larger jobs. Workers have this information on productivity and profitability always at the tips of their fingers. This has allowed Opportunity Threads to stay consistently focused on ensuring profit and growth. The worker-owners at Opportunity Threads see this relentless focus on the financial bottom line as one of the key components of the business’s success.

OPPORTUNITY THREADS: A FOCUS ON THE TRIPLE BOTTOM LINE

Opportunity Threads focuses on social and environmental outcomes as well as profit and growth.

In the mid-1990s, the term “triple bottom line” took off as a new way of conceptualizing the goals of businesses.²³ This is the idea that businesses can focus on three interrelated but separate bottom lines: a financial bottom line, a social bottom line, and an environmental bottom line. The idea is also conceptualized as the 3Ps: people, planet, and profit. We outlined above how Opportunity Threads focuses on its people: it is

<http://www.thepinkertonfoundation.org/paper/4-social-enterprise-proceed-caution-steven-l-dawson>

²² <http://community-wealth.org/content/how-worker-cooperative-factory-helping-bring-textile-manufacturing-back-north-carolina>

²³ John Elkington (2005), “Enter the Triple Bottom Line,” <http://www.johnelkington.com/archive/TBL-elkington-chapter.pdf>

a worker-owned business, and it focuses on creating high quality jobs. We also outlined above how Opportunity Threads focuses on profits: in addition to its commitment to its workers and creating high quality jobs, it focuses relentlessly on profits and economic growth. Below we outline how Opportunity Threads focuses on the planet, how Opportunity Threads integrates a focus on environmental sustainability into its focus on worker ownership, good jobs, and profit and growth.

Opportunity Threads focuses on environmental sustainability at many levels.

Opportunity Threads has focused on environmental sustainability since its inception. Its first client, a client that remains with Opportunity Threads today, is a company called Maggie’s Organics. Maggie’s Organics makes clothing and socks from organic wool and cotton; they focus on what they call “real fair trade,” using only organic materials where farmers, ginners, spinners, knitters, dyers, finishers, and manufacturers are locally-rooted and paid fairly.²⁴ The largest current client at Opportunity Threads is a company called Project Repat, which takes customer’s old T-shirts and reworks them into blankets with a fleece backing made of recycled plastic. This prevents over 825,000 old T-shirts from going into landfills annually and provides living wages for Opportunity Threads’ workers.²⁵ In addition to partnering with clients that are focused on sustainability, workers at Opportunity Threads have tried to create a manufacturing space that is as green as possible. They strive to be a zero-waste facility. Opportunity Threads recycles fabric scraps back into the textile supply chain. In sum, Opportunity Threads focuses on environmental sustainability both in the clients with which it works and the way it operates its manufacturing plant.

OPPORTUNITY THREADS: ONE OF 15 FIRMS IN THE DISTRICT

The story of Opportunity Threads is compelling. Twenty-three workers, most of them Mayan workers fleeing war-torn Guatemala, have come together to create a worker-owned manufacturing firm. This worker-owned business has provided high quality jobs and moved its core member-owners out of poverty, into economic stability. Workers currently earn a living wage plus benefits. They are offered consistent, full-time work; cross-training; financial literacy and homeownership training; and opportunity for ownership and decision making. In short, Opportunity Threads has created good jobs and rooted economic change for 23 formerly-marginalized workers.

Opportunity Threads is unique.

In some ways, Opportunity Threads is unique, and it is significant for its uniqueness. The story of Opportunity Threads is important to the larger story we are sharing for two reasons: (1) Opportunity Threads is a worker-owned textile manufacturing firm, so in some sense it’s a “best practices showcase” or “innovation lab” for the

²⁴ <http://www.maggiesorganics.com/behind-the-label/>

²⁵ <http://project-repat.helpscoutdocs.com/article/30-what-does-project-repat-mean>

development of high quality textile manufacturing jobs, and (2) Opportunity Threads was – along with Manufacturing Solutions Center and Burke Development, Inc. – one of the original innovators, organizers, and co-creators of The Carolina Textile District and The Industrial Commons (which are discussed below in Parts Two and Three). Further, Opportunity Threads has been recognized nationally as being unique. In 2016, Opportunity Threads was named Co-op of the Year by The US Federation of Worker Cooperatives. Opportunity Threads and Western North Carolina were also recently featured in a national publication on worker ownership.²⁶ Largely thanks to Opportunity Threads, Western North Carolina is now considered to be (along with places like New York City and the San Francisco Bay area), a hotbed of growth and creativity related to worker ownership.

Yet Opportunity Threads can also stand in for any manufacturing firm in Any Town, USA.

In some ways, then, Opportunity Threads is unique. Yet in other ways, it is not at all unique. Opportunity Threads could stand in for any small-to-midsize textile manufacturing firm in Any Town, rural USA. The real power of the story we are sharing in this paper is the bringing together of many inter-related textile manufacturing firms to form a value chain network, the Carolina Textile District. Opportunity Threads' story is powerful because it is one of many similar stories in rural communities across our region. Opportunity Threads' 23 workers could stand in for the 400 workers represented by the 15 member firms in The Carolina Textile District. And it is the weaving together of the stories of these individual manufacturing firms that gives the larger story of The Carolina Textile District and The Industrial Commons its lasting power: a vision of 3000 workers in 50 firms across the Southeast with high quality jobs and good lives, all organized to build and share a competitive advantage and have a collective voice for their industry.

²⁶ Hilary Abell and Melissa Hoover (2016), "The Cooperative Growth Ecosystem: Inclusive Economic Development in Action," a joint project of Project Equity and Democracy at Work Institute. <http://institute.coop/sites/default/files/resources/Ecosystem%20Report.pdf>

Part Two: The Carolina Textile District

A resilient value chain network helps manufacturing firms become more competitive by connecting to modern demand, while also developing collective power and voice for the industry – all so that these firms can continue to provide good jobs and create new good jobs.

THE CAROLINA TEXTILE DISTRICT: THREE CREATIVE PARTNERS

Opportunity Threads was a core creative partner in the formation of The District.

As Opportunity Threads grew as a business, the financial standing of its worker-owners improved significantly. As Opportunity Threads grew over the years, its demand began to eclipse its capacity. A traditional small business response to this would be to increase capacity, to hire more workers. Opportunity Threads chose a different path. Rather than keeping its store of production orders to itself (and growing and shrinking its business as demand ebbed and flowed), Opportunity Threads decided to share their success with other regional producers. Rather than see other regional producers as potential competitors, Opportunity Threads chose to see them as potential partners and collaborators. Opportunity Threads turned to the Manufacturing Solutions Center and Burke Development Incorporated to brainstorm ways in which excess demand could be dispersed to other regional textile manufacturing firms across North Carolina.

The Manufacturing Solutions Center was a core creative partner in The District.

The Manufacturing Solutions Center (MSC), located in Conover, NC, was founded by Dan St. Louis in 1999 to support the hosiery industry. A native to Western North Carolina and having worked in hosiery mills since he was 18, St. Louis developed a state-of-the-art testing and research-and-development facility that now serves thousands of manufacturing companies each year. He discovered first-hand the marked differences in the quality and durability of goods that were beginning to be manufactured offshore. Eventually, he and his team of nearly 30 staff turned their sights to helping companies develop solutions to keep manufacturing domestic, viable, and competitive. While other research-and-development facilities exist throughout the country, what makes MSC critical to this work is the organization's relationship to industry. Almost all MSC employees have worked in manufacturing. The culture of the organization is to help everyone – whether a five-person shop or a 2,000-employee company – with the same nimble, hands-on, and extremely responsive approach.

Overall, Manufacturing Solutions Center (MSC) has played a key role in the development of The Carolina Textile District and The Industrial Commons, the role of harnessing industry knowledge to give small- to mid-size manufacturing firms a competitive advantage. MSC has supported local firms around technology transfer

and management professionalization. MSC has helped manufacturing firms in North Carolina become more competitive by getting better at what they do. In other regions of the world where worker-owned manufacturing firms have thrived, such as Emilia Romagna in Italy, nonprofit service centers such as MSC have played a crucial role.²⁷ We believe that a strong manufacturing service center such as MSC will be essential in any attempt to develop an infrastructure for supporting worker-owned manufacturing firms and manufacturing value chain networks.

Burke Development Incorporated was a core creative partner in The District.

Burke Development Incorporated (BDI) was founded in 1972 as the economic development agency for Burke County, NC. Initially a publicly funded organization, it became a public/private nonprofit in 2003. When furniture and textiles began to move out of the region, the recruitment-based organization focused on diversifying the manufacturing base. Now, leaders and staff at BDI, including Sara Chester, create an average of 500 jobs per year; they recognize that a key pillar of the economic development agency's mission is supporting existing manufacturing firms in innovative ways. Almost every county in America is represented by some kind of economic development organization. What sets BDI apart is its willingness to think outside the box: to expand the definition of "economic development" to be more than just recruitment and to include innovative strategies that cross county lines, focus on smaller firms, and promote local ownership.

THE CAROLINA TEXTILE DISTRICT: A VALUE CHAIN NETWORK

The District is a coordinated, collaborative network of textile manufacturing firms.

The Carolina Textile District (The District), structured as an LLC, operates as a value chain network.²⁸ A value chain network is a coordinated network of people, businesses, organizations, and agencies that address a market opportunity to meet demand for specific products or services – each advancing individual self-interest while together building rooted local and regional wealth. It is an old concept made new again, as many good ideas are. The basic purpose of a value chain network is to strategically link traditional "supply chain" partners together through a coordinated, nimble, yet autonomous network. Entities in the value chain network are not just linked together for the purposes of having products made; they are also connected through shared values and shared resources. The value chain network plays the role of understanding and aggregating demand that gets work to the manufacturers or producers in the network.

²⁷ Matt Hancock (2015), "The Implication of the 'Emilian Model' for the Chicago Manufacturing Renaissance Council," http://mfgren.org/wp-content/uploads/2015/10/intro_emilia_romagna-MH-2006.pdf

²⁸ For more information on value chain networks, see <http://www.ruralsupportpartners.com/value-chain-resources.php> and <http://www.wealthworks.org/basics/construct-wealthworks-value-chain>

THE DISTRICT: HOW A VALUE CHAIN NETWORK OPERATES

The District helps potential clients understand and navigate the value chain network.

For clients who want to work with The Carolina Textile District to have a sewn-goods product made in the US, the process begins with a detailed intake application. The application asks specific questions to gauge how much the client knows about domestic production, raw material procurement, product type and construction, marketing, timelines, pricing, prototype creation, and sustainability of a business. Many clients email to say how helpful just completing the application was for them. The application allows The District to better understand the client's product, what pieces of the supply chain they need to access, and how ready they are for production.

Clients who choose to move forward have a paid consultation call or visit. They then have an opportunity to select from different programs. Clients are paired with partners in the network based on the partner's current capability, capacity, and interest in taking on a project. This part of the process is managed by The District's Project Coordinator, who is well-versed in the supply chain and organized with data management. To both supplement the bottom line and educate entrepreneurs about textile production, The District holds Sewn Goods 101 Workshops. These two-day, on-site and hands-on workshops provide education to entrepreneurs about the domestic manufacturing process, how to build a US supply chain, and how to maintain successful, long-term relationships with manufacturers. They cover five modules including fabrics, materials and production, and include guest Q&As with supply chain partners, and tours of manufacturing facilities.

THE DISTRICT: THREE MAJOR ROLES

The Carolina Textile District plays three major roles for its members: organizing demand and production, building collective power and voice, and coordinating shared resources and opportunities.

As a value chain network, The District coordinates demand and production.

Through its comprehensive database of textile-related manufacturing companies, The Carolina Textile District catalogues each of the participating company's products, services, capabilities, minimums, and pricing structures. The District offers various levels of involvement for these manufacturing firms. This allows the organization to be large enough to meet client needs and organize demand, but also remain small enough and geographically-concentrated enough to provide in-depth services. The full network includes nearly 400 firms spread across the US, but there are 15 paying members with 400 employees that are mostly concentrated in the Carolinas, Virginia, and Tennessee. The District then assists clients who wish to have a sewn-goods product made domestically by analyzing their production needs and pairing them with appropriate members (often several) in the value chain network.

For example, a client came to The District for assistance with an organic fleece sweatshirt. The District's Project

Specialist was able to find a partner that was willing to make the fabric from US organic cotton. The cotton was spun, knit, and finished in North Carolina. APaDS, a District partner in South Carolina, made the design and corresponding patterns. It was then passed to Opportunity Threads for cut-and-sew production, and finally dyed and printed at TS Designs, a District partner in North Carolina. Along the way, not only did partners keep each other informed, but the partners made sure they were problem-solving each step of the way. Since its formation in 2013, The District has provided support and assistance to over 1,200 clients seeking domestic production services and resources.

As a value chain network, The District builds collective support, power, and voice.

Manufacturers in the value chain network are linked together not only for the purposes of production, but also because they are connected through shared values and services. In fall 2016, The District hired a Network Coordinator whose job is to hear the needs of The District’s members and their workers so that The District can build collective support and industry voice. The District holds regular member gatherings to strengthen

“If you’re out on your own, you have nothing. If you working together and sharing things, then everybody has something, and everybody wins.”

Nand Thaper, Action Sports

networking and learning. Members pay fees to be part of The District; they also approve new members. The values-aligned manufacturers that make up The District also see long-term visions of an alliance or federation model, where they collectively advocate for workers and support policy initiatives that favor both the industry and its employees.

Historically, collaboration among manufacturers has been rare, as many producers see each other as competitors for similar contracts. Yet as District member Nand Thaper, Owner of Action Sports, observed, “If you’re out on your own you have nothing. If you’re working together and sharing things, then everybody has something, and everybody wins.”

As a value chain network, The District coordinates shared opportunities and resources.

Another main focus of The District is to coordinate shared opportunities and resources for producers. The District has piloted the Mill Network program, which allows several members to share a large contract. Plans are in place to link the network’s core members through a coordinated marketing and branding campaign. In 2017, members will begin sharing equipment that was obtained through a grant by The District. Members have had discussions about The District potentially coordinating shared staff among the partners, such as human resources or marketing staff, since most companies are too small to hire these positions full time, in-house. On behalf of its members, The District works with public schools and community colleges to provide exposure to young people around manufacturing job opportunities and provide training and skills development to future employees. The District also conducts workforce training with existing employees on modern, advanced equipment. Finally, The District shares the story of the modern textile industry with community organizations and policy leaders.

COMPANIES IN THE CAROLINA TEXTILE DISTRICT

The District has a database of 400 manufacturing companies with which it works at some level.

Through an intensive outreach process, The Carolina Textile District has now built a comprehensive and detailed database of nearly 400 manufacturing companies. In a textile value chain, this includes designers, pattern makers, sample makers, fabric manufacturers and suppliers, tag and packaging companies, dye houses, printers, cut-and-sew manufacturers, and fulfillment houses. Sometimes several of these elements are located under one roof within a company, but often they are found in separate and autonomous businesses. The database catalogues the company's products, services, capabilities, minimums, and pricing structures.

Of the 400 companies involved in The District, 15 are members.

The District works on varying levels with these 400 companies. Some are considered referrals because they are new to The District and The District is beginning to pass them work. Others are considered collaborators. They have worked with The District for a while, have proven their capabilities, and are working with The District on a deeper level. Then there are members, companies that are deeply aligned with The District based on their values. They believe in collaboration, are united in how they produce, are committed to growing The District, and envision themselves as a federation of companies that are deeply linked together. The members pay for their membership and have voting rights. They vote on new member businesses and other decisions that affect The District as a whole.

The District's 15 members receive various forms of support.

Members benefit from The District because they are sent qualified and vetted clients, which diversifies their client base. The District sets expectations with these entrepreneurial clients, provides them with education, and prepares them to enter the value chain. The District also supports companies by providing them with access to resources such as the following:

- Legal assistance – a relationship with the Wake Forest Law Clinic to provide legal counsel and advice to its members;
- Access to capital – through a partnership with a local loan pool, The District can connect manufacturers to a locally controlled source of funding; in addition, through collaboration with the Self Help Credit Union, companies that want to extend financial benefits and encourage better financial literacy among its employees are supported;
- Cooperative development – for companies interested in transitioning (or starting) as a worker-owned cooperative, The District has resources through the Democracy at Work Institute, Project Equity, and The Industrial Commons to advise owners and entrepreneurs;
- Workforce training – The District works closely with local community colleges and other entities to develop workforce training programs and the next generation of manufacturing talent;

- Shared equipment – The District has obtained a grant for advanced equipment, which can be shared by all companies in the network;
- Mill-to-mill problem solving – members use each other to share industry information, problem solve production issues, and provide encouragement in a fast-moving industry;
- Mill-to-mill collaboration - The District has piloted mills-sharing contracts: a contract might be too large for one mill to take it on or the turnaround time might be very tight; but by working together, several mills can meet the production deadlines.

THE DISTRICT: CRAFTED PRODUCTION AS A NEW MODEL

Crafted production is a new way of conceptualizing textile manufacturing in the US.

The main thrust of market demand that The Carolina Textile District’s founders saw were entrepreneurs and growing companies already committed to domestic production (mainly for values, logistics, and marketing reasons) that wanted locally-sourced materials and needed to start with “small runs” of production. They routinely want to customize their work by color, size, or piece. The District refers to this approach to textile production as *crafted production*.

Crafted production focuses on small runs, quick turnaround, customization, and quality.

Crafted production represents a segment of contemporary, domestic manufacturing demand, which is characterized by the need for quick turnaround and customized products.²⁹ To respond to crafted production demand, a company is usually:

- Earning profits from samples and small runs as clients are scaling (i.e., increasing revenue with no or minimal increase in costs);
- Focused on customization and quality over quantity;
- Staffed with stitchers who work on a diverse portfolio of products;
- Extremely responsive to clients;
- Partnering with high-growth potential companies, which results in larger production orders;
- Aligned and connected with other producers that share the same values and have deep, collaborative relationships.

Opportunity Threads provides a good example of this crafted production approach. In an interview, Opportunity Threads’ Molly Hemstreet provides an overview of crafted production:

“First and foremost, we have to be good at what we’re doing, particularly because this industry is so cutthroat. It’s so hard, particularly with so much that’s offshore. We have to really find those pieces that we can onshore or that we can be competitive on. A lot of it is

²⁹ <https://www.carolinatextiledistrict.com/stories/2016/8/15/what-is-crafted-production>

about customization, a lot of it is about quick turn-around work. A lot of it is about how you take something that's very handcrafted, and then make it at scale [high volume], but produce it so that it's still very unique and still one of a kind.

That's something that we've really gotten good at—the mass production of customization. A great example of this is a t-shirt blanket project that we have with Project Repat, where each t-shirt blanket that comes out at the end of the day is different and unique, but at the end of the week we can make up to 300 of them. We're scaling, but still doing customizations.”³⁰ [Since this article was published, Opportunity Threads has continued to scale their customization and can now make up to 800 custom t-shirt blankets a week.]

Crafted production does not fit the traditional textile manufacturing model.

This new model of textile manufacturing – characterized by a new form of client (entrepreneurs and scaling companies), order amounts (250-2500 units), and type of production (highly customized) – is typically difficult for larger production facilities to take on. Traditional textile manufacturing has always been based on large orders and on working with established companies. Opportunity Threads had found a way to be profitable operating within this new model of crafted production, by working with companies seeking small production and partnering with them to grow to larger production orders. While the Carolina Textile District saw Opportunity Threads' incredible demand (approximately 30 clients each month seeking production assistance) and began to harness that demand, they needed more producers that were willing and understood how to meet it.

Crafted production represents an emerging, contemporary form of textile demand.

The District started to capture and analyze data on the kinds modern demand it was seeing in its emerging value chain work. After processing over 1,200 requests for production of sewn goods, The District's team discovered that entrepreneurs interested in launching new domestically-manufactured products are:

- Younger (67% under the age of 40);
- Have some capitalization (91% had at least \$2,500 to put toward the design and development of their product);
- Have a direct-to-consumer distribution strategy (with 90% planning to sell online);
- Have a commitment to domestic sourcing and production (63% are committed to 100% US sourcing and production, with an additional 14% committed to US production);
- Have a commitment to manufacturers that pay fair wages (73% believe that working with manufacturers that pay a fair wage is a core value for their business);
- Have a commitment to working with domestic manufacturers to create jobs in the US (81% believe that working with US manufacturers to create jobs is a core value for their business).

³⁰ <http://community-wealth.org/content/how-worker-cooperative-factory-helping-bring-textile-manufacturing-back-north-carolina>

A large majority of clients operating from the crafted production model are also:

- Start-up companies (68%);
- Have little to no textile experience (nearly 80% are doing their first production run).

Crafted production is based on a direct-to-consumer shift.

Crafted production is based on a direct-to-consumer shift in production, marketing, and sales. More companies are selling their products directly to consumers through websites, rather than indirectly through retail stores. As more purchases are made online (2015 e-commerce sales increased by 14.6% over 2014),³¹ brands have more flexibility in their margins to afford US production. This usually means they need tightly controlled inventory, customized products, and a quick turnaround time. These strategies support small- to mid-size firms in understanding how to accommodate and meet that demand. Direct-to-consumer sales can cut a producer's costs significantly. As an example, imagine a T-shirt that sells for \$20. If that \$20 T-shirt sells in a store, then \$10 goes to the store, \$5 goes to the brand, and \$5 goes to production costs (which means everything included in the making of the shirt - fabric, materials, labor, etc.). If a T-shirt sells for \$20 online, then \$10 goes to the brand and \$10 goes to production costs (e.g., fabric, materials, labor). Retail sales can be important (to drive volume and marketing), but a blend of retail and direct-to-consumer sales can balance out some of the margin loss on wholesale and level the playing field for small producers.

Crafted production is based on the growth of small- to mid-sized companies.

Crafted production aims to spur the growth of small- to mid-sized companies. Over 75% of US manufacturing firms now employ 20 or fewer employees.³² By providing tailored resources to these companies and helping them be more competitive, crafted production and value chain networks can help small- to mid-sized manufacturing firms connect with like-minded firms and become more competitive. For this reason, The District has launched a Crafted Production Workshop. This course provides education to individuals or organizations interested in starting a crafted production cut-and-sew firm or transitioning an existing cut-and-sew company to a crafted production model. It covers over 20 topics, including how to establish prices and minimums, equipment, how to find and train employees, lean manufacturing principles, and quality control.

THE DISTRICT: MILLENNIAL-FRIENDLY MANUFACTURING

Millennial workers want to work in a different way compared to previous generations.

In 2015, Millennials (people born between 1981 and 1997) took over the American workforce.³³ Compared to

³¹ <https://www.internetretailer.com/2016/02/17/us-e-commerce-grows-146-2015>

³² <http://www.bbc.com/news/business-31527888>

³³ Richard Fry (2015), "Millennials surpass Gen Xers as the largest generation in US labor force." Pew Research. <http://www.pewresearch.org/fact-tank/2015/05/11/millennials-surpass-gen-xers-as-the-largest-generation-in->

previous generations, Millennial workers focus less on financial bottom lines and more on other aspects of business operations.³⁴ Millennials emphasize high-quality jobs and environmental sustainability over a profits-at-all-costs culture. Millennials want their work environment to be the best it can possibly be. They want solid incomes, job creation, and investment in workers' professional development. They want some degree of input and control over their work and their work environment. They want the business they work in to produce goods that benefit people and the earth.

Millennials don't want to work in traditional manufacturing jobs.

The manufacturing sector in general has struggled to attract young people. In a national survey of Millennials asked to rank various fields in which they would choose start their career, manufacturing ranked dead last.³⁵ Traditional manufacturing jobs are viewed as unstable, low-quality jobs, and Millennials simply don't want those jobs. This is true locally as well as nationally. Burke Development Incorporated (BDI), one of the original partners in The Carolina Textile District, conducted surveys and focus groups asking local youth about their perceptions of and potential interests in manufacturing jobs. Most respondents said that they have no plans to go into manufacturing as a career, mostly because they feel that manufacturing jobs are not stable, reliable, interesting, or exciting. The BDI report summarized findings from a focus group with local high schoolers, when asked about manufacturing:

“The majority said they would not want to work in manufacturing, noting that they do not see manufacturing jobs as stable and reliable. They also indicated hearing mostly negative information about manufacturing from people who work or have worked in it. Specifically: That the work environment is hard and can be hot; hours are bad; workers are not treated well; risk of layoffs; and boring/repetitive work.”³⁶

The District aims to seed and grow a Millennial-friendly approach to manufacturing.

The Carolina Textile District's focus on crafted production, high-quality jobs, and worker ownership can potentially engage a new generation of manufacturing innovators. Millennials are working to change the manufacturing work environment to be more flexible, democratic and meaningful.

u-s-labor-force/

³⁴ Lily Ma (2016), “Field Notes: What Millennial Workers Want.” The Heron Foundation.
<http://heron.org/engage/pulse/field-notes-what-millennial-workers-want>

³⁵ <https://www.wsj.com/articles/how-manufacturers-are-recruiting-millennials-1465351261>

³⁶ Burke Development Institute (2016), “Research Findings and Marketing / Communications Plan.”
<http://burkedevinc.com/wp-content/uploads/2016/12/BDI-Workforce-Marketing-Campaign-Phase-1-Report.pdf>

From the perspective of a textile producer, crafted production can potentially be appealing to Millennial entrepreneurs, because it focuses on small runs, creativity, and collaborative partnerships with other companies that share one’s values. Since crafted production focuses on small- to mid-sized manufacturing firms and direct-to-consumer sales, start-up costs are not as high as in traditional manufacturing – making it easier for young, emerging, creative entrepreneurs to get started. Indeed, as mentioned above, entrepreneurs who are approaching The Carolina Textile District are typically Millennials (67% under the age of 40). These young entrepreneurs are also looking for responsible business practices. In a survey of 1,200 respondents potentially interested in working with The District, entrepreneurs indicated the importance of manufacturing firms that pay fair wages (73% of firms approaching The District said that this is important), use locally-sourced materials (62% said this is important), and create jobs in local communities (81% said this is important).³⁷ On the client or entrepreneur side of The District’s work, then, an emphasis on crafted production and worker ownership can potentially appeal to Millennials’ work-life goals.

From the perspective of manufacturing workers and firms, focusing on high-quality jobs and worker ownership can potentially attract Millennial workers to manufacturing jobs. As outlined in Part One, high-quality jobs are jobs where work hours are predictable and stable, jobs that provide a living wage. Good jobs invest in workers’ lives (e.g., financial literacy training). Perhaps the ultimate expression of a good, high-quality job can be found in a worker-owned business. Good jobs encourage workers to have a level of control over their work and workplace, and to contribute to the larger purpose of the business. While this can happen in a traditional manufacturing firm to a degree, worker control and worker input are built into the very structure of a worker-owned business.

In sum, both national and local data show clearly that Millennials do not want anything to do with traditional manufacturing jobs, which they view as unstable, boring, unpleasant work where workers are treated badly. But Millennials could potentially be more interested if manufacturing jobs could be reinvented so that they are stable, interesting, pleasant places to work where workers have input and control in both the work and the business’s operations.

THE DISTRICT: A FOCUS ON EIGHT FORMS OF WEALTH

The District and its members focus on building wealth that extends far beyond financial wealth.

An organization called WealthWorks, which emerged from a strategy group of The Aspen Institute, has defined eight forms of wealth or capital that exist in communities.³⁸ The table below outlines these eight forms of

³⁷ Survey data collected by The Carolina Textile District, survey of 1,200 respondents interested in potentially working with The District, 2017.

³⁸ <http://www.wealthworks.org/basics/explore-regional-wealth-building/wealth-eight-capitals>

wealth, then shows how The Carolina Textile District and Opportunity Threads (as a core founding partner) attempt to build wealth in each of these eight areas:

Form of Wealth	Definition	What It Looks Like in The District³⁹
Individual	The existing stock of skills, understanding, physical health, and mental wellness in a region’s people	Locals have new skills and understanding related to crafted production, high-quality job creation, and worker ownership
Intellectual	The stock of knowledge, resourcefulness, creativity, and innovation in a region’s people, organizations, and sectors	Heritage manufacturing knowledge is maintained; new production models related to crafted production and worker ownership
Social	The existing stock of trust, relationships, and networks in a region’s population	District partners have deeper trust and relationships; creation of value chain network
Cultural	The existing stock of traditions, customs, ways of doing, and world views	Rural Appalachian lifeways are maintained; Mayan lifeways are adapted to Appalachia
Natural	The existing stock of natural resources – e.g., water, land, air, plants, and animals	Use of recycled and upcycled materials, zero-waste manufacturing, green production
Built	The existing stock of constructed infrastructure – e.g., buildings, sewer systems, broadband, roads	Revitalization of unused textile manufacturing spaces, creation of innovative new spaces for Millennial workers
Political	The existing stock of goodwill, influence, and power that people and organizations can exercise in decision-making	Building collective power and voice for textile manufacturing firms and workers; vision of a new and different kind of labor movement
Financial	The existing stock of monetary resources available for investment in a region	More revenue and larger customer base for small- to mid-sized manufacturing firms

As the table above indicates, the work of The Carolina Textile District focuses on much more than economic wealth.

³⁹ <http://www.wealthworks.org/success-stories/north-carolina-textiles>

Indeed, it is the breadth of its vision that makes The District an innovative model nationally.

THE CAROLINA TEXTILE DISTRICT: A NATIONAL INNOVATION

The District supports its members' businesses and their work.

To summarize from above, The Carolina Textile District is a value chain network with nearly 400 companies in its database and 15 paying members that are actively working together. The District has helped hundreds of clients launch a new product, establish an all-domestic supply chain, or expand production of an existing product. A major focus of The District is to bring small- to mid-sized textile manufacturing companies and workers together into a value chain network – and through this network connect them to an emerging, contemporary form of demand and production that we call crafted production. The heart of this goal is to develop competitive and profitable manufacturing firms, which in turn develop high-quality jobs for industrial workers and root wealth in local, rural communities.

We also have a vision of a new Southern labor movement.

Yet equally important to our long-term vision is the building of collective voice and power across multiple industrial sectors: We envision a new Southern labor movement of autonomous industrial shops that are strategically linked with collective power, common voice, and strong democratic workplace cultures and values. This vision of merging profitable manufacturing firms, high quality jobs, democratic workplaces, and collective power among manufacturing workers has been realized in other parts of the world, such as Italy's Emilia Romagna.⁴⁰

And we are trying to change the way that manufacturing is done.

In a video on The Carolina Textile District, Sara Chester of Burke Development Incorporated sums up The District's work:

“For us [in Western North Carolina], textiles and furniture are who we are, and who we've always been. It makes sense, if you've already got a competitive advantage as a community, to utilize that.”

“But I think it's important that, if we bring textiles back to our community, we do it in a different way [than it was done before]. Clients coming in know that if they're working with The Carolina Textile District, they're going to be working with producers and manufacturers that are committed to providing good quality jobs. And they're also companies that are

⁴⁰ Matt Hancock (2010), “Local Development in Emilia Romagna: Alternatives in Action,” https://www.ssc.wisc.edu/~wright/Sociology%20929-assignments-2010_files/Matt%20Hancock%20--%20Local_Development_In_Emilia_Romagna-Hancock_0.pdf

committed to being environmentally and socially responsible.”

“There is a lot of pride in being craftsmen and artisans in this [younger] generation. But we have to change the way that manufacturing is done. That’s why it’s important, like what Opportunity Threads is doing, to make it a completely different work environment, and something that a younger generation can get excited about and be passionate about.”⁴¹

As far as we know, The District is the only manufacturing value chain network in the US.

The Carolina Textile District is innovative and unique. As far as we know, it is the only manufacturing value chain network in the Southeast, Appalachia, and perhaps the entire US. People and organizations have asked us for information about worker ownership, high quality jobs, crafted production, and creating a value chain network. Sharing our experiences in developing The District was partly what spurred us to write this paper. Sharing the innovations at the heart of The District also led us to form a social enterprise nonprofit organization, The Industrial Commons.

But we believe that other manufacturing sectors could replicate The District’s approach.

The Industrial Commons, which we describe in Part Three, has as one of its long-term goals the dissemination of the work of The Carolina Textile District to other manufacturing sectors and to other locally rooted businesses. The concepts and practices at the heart of The Carolina Textile District could be replicated in other manufacturing industries and in other regions. When we dream big, we envision a Carolina Metal Working District and a Carolina Wood Working District. Or even more broadly: Why not an Eastern Kentucky Textile District and a North Georgia Textile District?⁴²

⁴¹ Carolina Textile District, “Thriving Here” (2016), https://www.youtube.com/watch?v=X8hez_e_Ac4

⁴² http://www.clustermapping.us/cluster/textile_manufacturing

Part Three: The Industrial Commons

A social enterprise nonprofit organization develops support systems, education, and outreach to strengthen the value chain network – while also reaching out to other heritage manufacturing industries and other types of businesses.

THE INDUSTRIAL COMMONS: OVERVIEW

The Industrial Commons emerged from a need to help firms in The District be competitive.

The Carolina Textile District (The District) excels at helping clients achieve their production goals and supporting producers by passing them work, providing resources, and linking them together. But sustaining this success requires that members of the value chain network remain competitive and nimbly responsive to modern demand (e.g., crafted production, as outlined above).

In response to this need for competitiveness and nimbleness, The District’s organizers developed a nonprofit organization, The Industrial Commons (The Commons), to support businesses through education, worker advocacy, and tertiary services such as legal assistance. The mission of The Commons is to rebuild a diverse working class based on locally-rooted wealth. While The Commons is primarily grant-funded, the goal for the partnership between The District and The Commons is to operate as a social enterprise: The District generates revenue from its members and, after covering expenses, contributes some funds toward the work of The Commons. The Commons provides education, outreach, and services to support members in The District’s value chain network and (increasingly) other businesses as well.

THE INDUSTRIAL COMMONS: BROADENING THE DISTRICT’S WORK

The idea at the heart of The Commons is that worker-owned firms can be successful when they are strategically integrated into value chain networks and provided with industrial and technological innovation. We then broadened this vision in two ways: (1) by providing education and support around value chain development, worker ownership, high quality jobs, and crafted production to other manufacturing sectors, and (2) by providing education and support to businesses that are considering converting to worker ownership.

The Commons aims to support multiple manufacturing sectors, not just textiles.

As we developed The Commons, we broadened the focus of our work beyond textile manufacturing to include what we call *heritage manufacturing industries* in general. These are industries that tap into the cultural and historical heritage of our Appalachian foothills region: wood products, metal working, fiber, craft beverages,

furniture, hosiery, and textiles. We believe that the Carolina Textile District could be replicated (with the proper support systems) in other industries. The heart and soul of The Carolina Textile District is not textile manufacturing; rather, it's the idea that relatively small manufacturing firms can come together to form a value chain network, create good jobs that root wealth locally, and build collective power for workers across a region. We believe that this could potentially happen in any manufacturing sector, in any rural community across the US. In sum, The Commons aims to disseminate the concepts and practices outlined above (e.g., worker ownership, value chain networks, crafted production, high quality jobs) in other sectors (e.g., wood products, metal working, fiber, craft beverages, furniture, hosiery) by sharing resources and providing education and outreach opportunities for manufacturers.

Ultimately, we envision The Commons shepherding a new, Southern labor movement that gives voice to industrial workers and establishes workplaces as not just providers of stable, well-paying jobs but as entities that encourage creativity, education, wellbeing, decision-making, equity, and agency. At the moment, we have neither the demand from other manufacturing sectors nor the time to make this vision a reality – but supporting the replication of the work of The Carolina Textile District in other heritage manufacturing sectors is a core part of the vision for The Industrial Commons.

The Commons provides businesses with education and support around worker ownership.

As we developed The Commons, we also broadened our focus beyond manufacturing firms to include locally-rooted businesses of all kinds that might be interested in worker ownership as a business model. This work emerged as we followed the energy of the people we were working with. We found that people both within and outside of manufacturing industries were asking us for more information on worker ownership and how a conventional business might convert to worker ownership. We had also been working with the North Carolina Justice Center, which recently published a report showing that North Carolina has a particularly large number of business owners nearing retirement age, and that converting those businesses to worker ownership structures might be a potential way of preserving the jobs that those businesses bring to local communities.⁴³

In response to local businesses' interest and our work with the Justice Center, The Commons began a series of Worker Ownership classes. Worker Ownership 101 provides a broad overview of worker ownership as a concept. With funding support from the Democracy at Work Institute, we have held five Worker Ownership 101 classes, attended by 25 businesses in all. We then invited all Worker Ownership 101 attendees to delve deeper into conversion by attending a Worker Ownership 102 class. This was attended by four businesses and several government business support entities (e.g., Small Business and Technology Development Centers, Councils of Government) that may be interested in organizing further Worker Ownership 101 and 102 classes

⁴³ Patrick McHugh (2016), "Down Home Capital: How Converting Businesses into Employee-Owned Enterprises Can Save Jobs and Empower Communities." The NC Justice Center. <http://www.ncjustice.org/?q=budget-and-tax/btc-reports-down-home-capital-how-converting-businesses-employee-owned-enterprises>

in other communities across Western North Carolina. Although this work is unfolding as we write this paper, it appears that the four businesses that attended our Worker Ownership 102 class are interested in moving forward with a conversion to worker ownership – with another five businesses considering the transition. Recently, The Commons established a strategic partnership with Project Equity,⁴⁴ a worker ownership conversion specialist in the San Francisco Bay area. Through this partnership, we will provide hands-on support and coaching as these four businesses convert to worker ownership. The Commons also recently established a relationship with the Wake Forest Law Clinic, which will provide legal support for converting businesses.

The Commons has five major goals over the next two years.

To ensure that all of the work outlined above is carried out in Western North Carolina over the next two years, The Industrial Commons will focus on the following activities:

1. Bolstering the Carolina Textile District to deepen support for textile mills in the value chain, which benefits the nearly 400 workers (and growing) employed by The District’s 15 member companies and the nearly 400 companies in the full network;
2. Providing resources to two to three developing value chains or networks in other heritage industries, which will benefit the small- to mid-size industrial firms organized as democratic workplaces that are currently operating in isolation without support of a value chain network;
3. Hiring worker ownership developers (including bilingual developers) to support 40 conversions and teach ongoing workplace democracy, which benefits the firms and workers that want to explore these models but have no local resources to provide education or assist with conversions;
4. Working with the North Carolina Justice Center to develop a policy platform that supports worker-owned enterprises and their conversions, which benefits the existing employees who are subject to losing their jobs should their employer close due to the upcoming “silver tsunami”⁴⁵;
5. Working with private companies, the City of Morganton, Burke County, the Manufacturing Solutions Center, Western Piedmont Community College and Burke Development Inc. to develop the Millennial Manufacturing Campus, a 28-acre industrial site that engages a new generation of workers while maximizing efficiencies for small- to mid-size firms. The campus will feature buildings of 10-50,000 sq. ft. centered around a shared, co-working space that has shared equipment, facilities, and staff along with work-life integration elements that create a positive focus on family, health and wellness, and training.

⁴⁴ <http://www.project-equity.org/>

⁴⁵ Patrick McHugh (2016), “Down Home Capital: How Converting Businesses into Employee-Owned Enterprises Can Save Jobs and Empower Communities.” The NC Justice Center. <http://www.ncjustice.org/?q=budget-and-tax/btc-reports-down-home-capital-how-converting-businesses-employee-owned-enterprises>

Part Four: Theory of Change, Lessons Learned, Vision

Organized workers, competitive firms, and value chain networks create good jobs and locally-rooted wealth in rural communities.

THE DISTRICT AND THE COMMONS: A THEORY OF CHANGE

Core elements: Organized workers, competitive firms, and value chain networks

The joint work of the Carolina Textile District and The Industrial Commons is based upon a distinct theory of change, a theory that states explicitly how we aim to bring about change for the better. Our theory of change has at its core the following key ideas:

1. Organized workers build out competitive firms, which provide good jobs and good lives;
2. These firms build out industry-specific networks, which coordinate demand and build voice;
3. These networks collaborate to create locally-rooted economies that benefit everyone.

1. Organized workers build out competitive firms, which provide good jobs and good lives.

Our theory of change begins with workers who are networked, creative, and organized. The Carolina Textile District and The Industrial Commons are supporting ethnically diverse groups of production workers who are moving from traditionally low-wage jobs with unpredictable hours and wages to high-quality, stable jobs with social and economic opportunity. Opportunity Threads is a great example of a competitive firm providing good jobs, thereby transforming workers' lives for the better. As outlined in Part One, Opportunity Threads is a worker-owned cooperative where worker-members buy in to and own the firm, make all decisions about the firm's direction, and share the profits from the work. Jobs at Opportunity Threads are good jobs: they pay a living wage, they have stable and consistent hours, and the firm provides supports to workers around life skills such as financial management and homeownership. As a result, working at Opportunity Threads has changed workers' lives for the better. They have moved from poverty to economic stability. They lead rich, full, meaningful lives.

2. These firms build out industry-specific networks, which coordinate demand and build voice.

Stories of individual firms like Opportunity Threads are powerful: in manufacturing firms that focus on creating high-quality jobs, workers' lives are changed for the better. But the larger story we are telling is even more powerful when firms come together to form a value chain network, thus extending the reach of the story beyond one firm to 15 members in a growing network. This is the story of The Carolina Textile District. As outlined above in Part Two, The District is a textile manufacturing value chain network that has two major goals: to organize demand and supply so that partner firms can be more competitive, and to build collective

power, voice, and support for the industry. And as we proposed in Part Three, the work of the Carolina Textile District, especially the development of value chain networks, could be replicated in other heritage manufacturing sectors (e.g., wood working, metal working, fiber).

3. These networks collaborate to create locally-rooted economies that benefit everyone.

It is our long-term vision that organized workers, competitive firms, and value chain networks in multiple heritage manufacturing sectors and multiple communities will create vast and transformative impacts for rural communities. By 2020, we envision networks across Western North Carolina made up of over 5,000 workers with quality jobs representing 75 small- to mid-size manufacturing firms – all creating and sustaining good jobs that root wealth locally. We envision firms that are more profitable because they are getting more work and more competitive because they are getting better at what they do – while also creating the sorts of good, high-quality jobs that change people’s lives. In sum, we envision organized workers, competitive firms, resilient networks, and industry-focused support systems building sustainable regional economies for all.

THREE STRATEGIES AND A VALUE: CORE OF A THEORY OF CHANGE

Three strategies: Integrating industry knowledge, worker ownership, and value chain networks.

The theory of change outlined above is has at its foundation the convergence of three strategies and the underpinning of these strategies with a particular value. In isolation, none of these strategies reaches its full potential; it is the intersection of these strategies and how they are carried out that drives transformational change. Below we lay out each of these strategies in detail. After we outline the strategy, we then describe the organization or entity in our local region that was primarily responsible for implementing this strategy. We believe that attempts to successfully replicate the work outlined in this paper will likely need to include these three strategies, so we want to be clear how these strategies were lived out practically in our work and our region. We close this section by discussing the value of “coopetition,” which is the foundational value from which all of these strategies are carried out.

Strategy 1. Harness industry knowledge to give small- to mid-size firms a competitive advantage.

Manufacturing is a highly technical industry that requires great skill and depth of knowledge. For manufacturing startups to thrive and existing firms to scale up and grow, they need the assistance of trained individuals, people who have been in the industry for many years. Without skilled employees who understand the nuances of the business—both on the floor and in the office—a manufacturing firm will not be successful. Connecting these businesses with organizations that can provide technical manufacturing expertise provides crucial developmental support. Manufacturing support organizations serve as an important resource for understanding and implementing key manufacturing principles, such as lean manufacturing, cross training, and work cell set up. Additionally, these groups function as liaisons for keeping companies informed about manufacturing-specific issues like environmental regulations, changes to OSHA laws, and trade regulations.

In our work, Manufacturing Solutions Center (MSC) has played the role of harnessing industry knowledge to give small- to mid-sized firms a competitive advantage. MSC helps local manufacturing firms in our area become more competitive by getting better at what they do. As mentioned above, nonprofit service centers such as MSC have been crucial in other areas of the world, such as Italy’s Emilia Romagna, that have spent many years building infrastructures to sustain networks of profitable worker-owned manufacturing firms – which in turn provide high quality jobs and collective voice for manufacturing workers.⁴⁶ Any effort to replicate parts or all of the work outlined in this paper will likely need to include a nonprofit manufacturing service center such as Manufacturing Solutions Center.

Strategy 2. Support more equitable business models that create locally owned wealth.

Worker ownership, along with other forms of employee ownership such as Employee Stock Ownership Plans (or ESOPs), are ways for workers to have voice, true equity, and a real stake in their workplace. Democratic workplace models give employees more say in decision-making and management of their day-to-day activities. Firms that operate in this way ensure that the workers (not just managers or stock holders) benefit directly from the profits of their labor. Worker-owned firms, sometimes referred to as cooperatives, tend to be equitable and fair spaces for workers who are often pushed to the margins due to race, language barriers, or previous incarceration. Furthermore, in “right-to-work” states like North Carolina, where unionization is discouraged, worker ownership is an alternative means of securing fair wages and benefits for employees. When organized into industry-specific networks or federations, firms structured in democratic ways can become powerful spokespersons and advocates for workers.

In our work, Opportunity Threads, The Carolina Textile District, and The Industrial Commons have all played roles in supporting more democratic business models that create locally owned wealth. First, Opportunity Threads, a profitable worker-owned textile manufacturing firm, has provided our region with a model showing that an emphasis on equitable business models can also be profitable (and therefore root locally owned wealth). The Carolina Textile District and The Industrial Commons have both, in various ways, worked to spread the seeds of Opportunity Threads’ vision across the region. The District has worked with both entrepreneurs and manufacturers around the concept of trying to create high-quality textile manufacturing jobs. The Commons has supplemented this work by focusing on policy and advocacy related to manufacturing and by educating and supporting local businesses around conversion to worker ownership. Together, The District and The Commons have worked to build collective voice for local textile manufacturing firms by creating what we sometimes see as an informal federation of manufacturing firms across Western North Carolina; this federation is potentially analogous to the more formal federations of manufacturing firms in

⁴⁶ Matt Hancock (2006), “The Implication of the ‘Emilian Model’ for the Chicago Manufacturing Renaissance Council,” http://mfgren.org/wp-content/uploads/2015/10/intro_emilia_romagna-MH-2006.pdf

Emilia Romagna, Italy.⁴⁷

Strategy 3. Construct value chain networks to aggregate demand and organize producers.

Industry-specific value chains can serve as a vital support system for small- to mid-size manufacturing firms. The value chain is a tool not only for understanding demand but also organizing it, therefore passing work to production companies in the network. By connecting members with other companies in the supply chain, the value chain provides better assistance to clients and helps similar firms share best practices. In addition, small- to mid-size manufacturing firms that operate within a value chain are able to leverage the power of their collective numbers to better compete with larger firms, which are often anywhere from two to ten times bigger than they are. For instance, if there are fifty firms in a network and each has twenty employees, the network represents 1,000 employees, which may allow them to secure lower health insurance rates for every employee in the network. Likewise, the size of a value chain makes it easier for individual members to tap into beneficial services and partnerships that exist within the broader business ecosystem. These might be financial institutions (like the Valdese Economic Development Investment Corporation, a \$1.5 million-dollar loan pool that supports clients and partners in The District), education entities, economic development agencies, legal firms, organizations that provide certifications, local governments, and cooperative developers (like the Democracy at Work Institute and Project Equity). Ultimately, being a part of an industry-specific value chain allows small- to mid-size manufacturing firms to access resources and relationships that are typically out of reach for companies of their size.

In our work, The Carolina Textile District is a value chain network made up of small- to mid-sized manufacturing firms across Western North Carolina and beyond. Additionally, The Industrial Commons has as its vision the support of value chain network development in other heritage manufacturing industries in our region, such as wood working, metal working, craft beverages, furniture, fiber, and hosiery.

A value: Integrate the strategies above while doing all of this work from a value of “coopetition.”

We believe that it is critical for the three strategies outlined above to be implemented simultaneously and collaboratively to create transformational change. We have also realized that these three strategies must be employed in a specific way, with a certain set of values. Underlying the work is a constant and steady effort to develop a sense of *coopetition* – the convergence of cooperation and competition. In fostering this, the organizations – and the firms they support – recognize that they are working towards something bigger than themselves and working together to lift everyone’s boats. Real transformational change takes time, and there is a commitment from everyone involved toward the longevity of these strategies. While there is still a sense of urgency to the work, there is an emphasis on making long-term, strategic decisions that create lasting

⁴⁷ Chris Cooper (2014), “Interview: Matt Hancock,” Ohio Employee Ownership Center. <http://www.oeockent.org/download/oaw/OAW%20W14.pdf>

benefits. There is also a focus on authentic and egalitarian partnerships. By nurturing relationships and being mindful of social capital, the organizations generate a sense of togetherness that brings everyone to the table and creates a shared, collective vision.

THEORY OF CHANGE: OVERALL GOAL

The overall goal of the theory of change and the three strategies outlined above is to help local manufacturing firms become stronger, more competitive, and more profitable.

More competitive. Firms become more competitive through the support of the Manufacturing Solutions Center (MSC). MSC operates as a nonprofit service center that provides technology transfer and management professionalization. Through this support, local manufacturing firms get better at what they do; they become more competitive globally.

More profitable. Firms become more profitable through their participation in The Carolina Textile District. By cooperating instead of competing, firms get more work. Manufacturing firms become more competitive globally by cooperating locally. The District organizes demand and educates demand for manufacturers. The District also has visions of a shared brand, a branded product shared by its members. In short, members of The District become more profitable by getting more work and becoming more competitive globally as they work together locally.

Stronger. Finally, firms become stronger through participation in The Industrial Commons. The Commons helps firms become stronger by helping them create high quality, good jobs. The Commons also helps spread and seed worker ownership as a model by providing education and support to business that are interested in converting to worker ownership. Finally, The Commons eventually aims to help firms become stronger by providing back end support such as legal services, accounting services, financial services, and human resources services.

OUTCOMES SO FAR: LIVING OUT OUR THEORY OF CHANGE

Opportunity Threads' outcomes: \$1.2M in sales, high-quality jobs, and good lives for workers.

As an example of one manufacturing firm that has been supported by Manufacturing Solutions Center, The Carolina Textile District, and The Industrial Commons, Opportunity Threads has become more competitive, more profitable, and stronger. Opportunity Threads has grown to \$1.2 million in sales and is leveraging \$8 million in client sales. All workers have high-quality jobs that pay a living wage. Six worker-members have purchased their own homes.

The District's outcomes: 15 members representing 400 workers create a value chain network.

The Carolina Textile District has provided information and support to over 1,200 entrepreneurs and scaling companies with over 570 of these receiving direct consultation support or programmatic assistance. Nearly 115 of these entrepreneurs and scaling companies have completed or are in the process of completing a sample or production run. The District's full network includes nearly 400 manufacturing companies spread across 16 states. There are 15 paying members that represent 400 employees. We know from our 2017 annual survey that these members had combined sales revenues of well over \$5M and received an average of 10 clients from The District in the past year. During that time, they have invested over \$350,000 in their businesses and half of them have added new employees.

The District's outcomes: Cooperation and solidarity among firms, high-quality jobs.

The Carolina Textile District and The Industrial Commons are young and growing. The impacts around numbers and dollars are strong; however, equally important are the shifts in how people see themselves as workers and firms. The District's annual survey data also show that the network is supporting firms in working together; on average, each partner formed three new relationships with another manufacturer through The District. They are sharing information and feeling less alone. Likewise, workers are being given more opportunity in the workplace; ultimately, through workplace structures like worker ownership, workers gain a stake in the decisions and equity of their businesses. Opportunity Threads' staff now teach quarterly classes on worker ownership in the region. The last remaining dye house in North Carolina (and a member of The District) is in the process of converting to a worker-owned business, and many others are inquiring about the process. Through all of this work, we are starting to see the seeds of a rooted and autonomous, yet connected, labor vision that puts workers and communities at the center of industry.

LESSONS LEARNED: STRENGTHENING OUR THEORY OF CHANGE

While we have only been at this work a few years, we have already learned a lot of important lessons along the way. Sometimes, we learned these lessons the hard way. We share some of the core lessons below, in hopes that the road may be less bumpy for other industries and communities:

1. Partnering with strong, local allies is critical.

It would be hard for any single entity to plan and carry out this work. All of the work outlined above was incubated within three local organizations (Opportunity Threads, Manufacturing Solutions Center and Burke Development Incorporated), which provided staff, facilities, and infrastructure in the early stages of forming the Carolina Textile District.

2. It is crucial to understand markets and market trends.

The coordinators of a value chain network must understand the market they are trying to serve and have a deep understanding of whether or not their value chain members can serve those markets.

3. It takes hard work on the ground to be successful.

Ultimately, what will make the theory of change laid out above work is having dedicated and committed people carrying out the hard work on the ground. As each layer is added to the puzzle - firms, support organizations, industry specific value chains - there must be strong leaders who are dedicating time to these entities and waking up every day thinking about their operations and growth.

4. It takes time.

Much of this work is built upon relationships. Developing relationships and trust takes a lot of time. Just as with personal relationships, deep trust amongst companies takes time to foster - especially in manufacturing, where companies have traditionally never collaborated.

5. Measure impact.

Everyone, from the employee to the business owner and from the local elected official to the national funder, will want to see impact. It is critical to outline a measurement and evaluation system in the beginning and capture the information that will allow your organization to show change over time.

6. Develop a sense of “coopetition.”

This is the combination of cooperation and competition, and it must be fostered among the members of a value chain network. These companies or producers could see each other as fierce competitors, so there must be energy directed toward the cultivation of a cooperative way of working.

7. It takes multiple, integrated strategies working together to solve complex problems.

Just Burke Development Inc., Manufacturing Solutions Center, or Opportunity Threads working alone within their area of expertise would not have as much impact as all of the organizations together. The economic marginalization that much of Appalachia has experienced for so long comes from complex issues. We must meet the complexities of poverty and marginalization with equal complexity and systematic problem-solving solutions.

8. Partner with diverse allies.

We have allies from many fields, political persuasions, and geographic regions helping us think about and reflect on the work. Good work that is changing people’s lives for the better will resonate quickly with people. It is important to cultivate different fields and perspectives, so you can see the work from all angles.

OUR VISION FOR THE FUTURE

Through our work, we have come to see that there is a way to harness a community’s manufacturing past to create a new, more equitable economy – but it must be done differently. This new way of working must put workers at the center of competitive firms, which are supported in creating innovative products and implementing democratic models that are good for people and communities.

Our theory of change, supported by the three strategies outlined above, has spurred some success. Entrepreneurs are getting assistance as they launch or grow companies, while keeping production in the US. Small- to mid-size manufacturing firms are getting more work, becoming more competitive, and working together from a base of shared values. Workers are gaining access to better quality jobs and have more voice in the workplace. The model is being shared with other communities and introduced into other sectors. However, our vision and plans do not stop there.

Existing companies need assistance with succession and transition planning, so that local facilities can remain open and retain employees. We aim to share with more companies equitable business models that create a more democratic workplace. We are working to develop an employment ownership center with a manufacturing-specific curriculum on worker ownership.

The manufacturing workplace has to change if it is to attract Millennials, who are seeking a new way of working. This new generation of textile workers and leaders need skills and training on advanced equipment. This has led us to begin plans for a Millennial Manufacturing Campus, owned and operated by The Industrial Commons, where small- to mid-size manufacturing firms like Opportunity Threads can grow and thrive.

These strategies are being shaped by a group of people who are rethinking work in communities across North Carolina and beyond. Our goal is that by 2020, we are supporting over 5,000 workers with quality jobs who are represented in 75 small- to mid-size manufacturing firms. Our hope is that in 25 years, a thriving set of sustainable and aligned manufacturers, representing thousands of proud workers, are rooted in their communities and improving livelihoods. Our vision is that they establish a new way of working – one that anchors wealth locally, honors people for their skills, and upholds the beauty of their communities.

Epilogue: A Community's Story

Good manufacturing jobs could change an entire community.

We began this paper with the story of Alfonso, a story of how good manufacturing jobs have changed people's lives for the better. We end with a vision of how good manufacturing jobs might potentially transform an entire community. Alfonso's story is rooted in our experiences; we have seen the improvements in workers' lives that good manufacturing jobs can bring about. Our community story is rooted in our vision, a vision that gives us meaning and purpose as we stumble along in our daily work.

Our vision of good manufacturing jobs changing communities for the better is captured in the logo for The Industrial Commons. The logo shows a manufacturing plant. The facility is well-lit. It seems to be late afternoon, twilight, but the plant is humming.



What is most appealing to us, though, is not the manufacturing plant, but how the plant is the hub of the community. It's a fine summer evening, and the manufacturing plant is filled with life. But so is the community around it. There is a playground out behind the factory. A mother and her dog watch a girl play on the monkey bars. The mom works at the factory and lives close by. She has finished her shift, and now she and her daughter sing together as the girl plays. The mountains at dusk make a beautiful backdrop as the sun starts to set.

In the window of a house nearby, a girl reads a Harry Potter book. She reads in English, even though Spanish is her first language. Her parents work at the factory, and since the jobs are good there, she thinks that she too might be interested in working there when she finishes high school in a few years. On a greenway along the river, workers exercise after their shift at the factory. A couple of them are runners; one rides a bike. On weekends, workers sit together by the river to chat and go fishing; it's a clean river, with healthy fish, because the factory constantly strives to be a zero-waste facility. Across the river, workers have planted an organic community garden. They're as focused on healthy eating as they are on active living. Chickens peck about and eat bugs, helping the garden thrive.

This is our vision. A manufacturing firm can be the hub of a revitalized, diverse, healthy rural community. Another world is possible. She is on her way. On a quiet summer evening, we can hear her breathing.⁴⁸

⁴⁸ Arundhati Roy (2003), "Confronting Empire," World Social Forum,

Acknowledgements and About the Authors:

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Molly Hemstreet is the founder of Opportunity Threads, one of the strongest immigrant-led, worker-owned manufacturing firms in the US. She returned to her hometown of Morganton, NC, after graduating from Duke University and spending time in Latin America learning about micro-finance, cooperative development and collective entrepreneurship. In 2013 she partnered with the Manufacturing Solutions Center and Burke Development, Inc. to found the Carolina Textile District. Molly serves on the board of the Democracy at Work Institute (DAWI) and loves being with her family, especially her two sweet boys.

Sara Chester is the Project Manager at Burke Development, Inc. and the Co-Director of the Carolina Textile District. She graduated from the University of North Carolina at Chapel Hill and worked in marketing and public relations before returning to her hometown of Morganton, NC, to plant roots and start a family. She has worked in economic and community development for five years, focusing much of this time on place-based initiatives that grow local wealth. She enjoys being out in the woods, camping or hiking, and spending time with her husband and two children.

Paul Castelloe was involved in the writing of this paper at a late stage in its development, after Sara and Molly had already written most of it. Paul is a former colleague of Molly's: both previously worked at the Center for Participatory Change, where some of the ideas at the heart of Opportunity Threads were seeded and sprouted. Although Paul was not involved in any of the work described in this paper, he has followed its development with awe and admiration. He was honored to help move this paper along. Paul is an elementary school teacher in Asheville, NC. He enjoys spending time with his wife and two grown daughters.

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