

# PEOPLE OVER CAPITAL



**The co-operative  
alternative  
to capitalism**



**Edited by  
Rob Harrison**

# **People Over Capital: The Co-operative Alternative to Capitalism**

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# 1

## The potential for an alternative economy

**Robin Murray**

The first great surge of co-operation took place in Britain at the dawn of the age of railways in the 1840s. It was a consumer co-operation of the industrial working class. Within 50 years it had grown into a network of more than 1,000 retail co-ops and a wholesale society that had become the largest corporate organization in the world. By the First World War, British co-ops accounted for 40 per cent of food distribution. They owned their own factories, farms, shipping lines, banks, an insurance company and even a tea plantation in Ceylon (now Sri Lanka). The co-operative movement was, in the vision of one of its inspired organizers, JTW Mitchell, on the way to developing an alternative economy.

There were similar movements of small farmers and artisans on the continent and in North America, and later in Asia. Common to them all was an emphasis on civic and workplace democracy, autonomy, the quality of work and on small-scale units gathered into large federated organizations where a larger scale was necessary.

This way of thinking about an economy did not chime with

the model of mass production that became the dominant 20th-century paradigm for industry as well as for the principal state-centred (and centralized) alternatives on the left. The forward march of co-operation was halted.

In the past 30 years, though, there has been a rapid growth of all kinds of initiatives in the social economy. Confidence was lost in the centralized state-based alternatives, particularly after 1989. The revolution in information and communications made it possible to develop much more distributed systems of organization, with complex webs of collaboration. Now, with the financial collapse of 2008 putting neoliberalism on the back foot, we are witnessing a new interest in co-operation.

There has been a spate of books by evolutionary biologists on humanity's deep-rooted dependence on co-operation and by sociologists on the skills required for it. To general astonishment, the 2009 Nobel Prize for Economics was given to Elinor Ostrom for her work on the social economics of the commons. And co-operation runs as a common thread through the discussions of alternatives across the Occupy movement. As one of the Occupy Wall Street activists put it, they wanted a world of 'co-operatives, credit unions and fair trade'.

What should we make of all this? What part can co-operatives play in a 21st-century model of an alternative economy? Could co-operatives become the dominant form of enterprise just as joint-stock companies were in the industrial era? Can the state – itself part of the social economy – find a way of working with them in new collaborative ways? Can it indeed internalize not only co-operation's values but its practices? Can we imagine a model of the co-operative economy that generates as much confidence as once did the various versions of Fordist socialism?

### **The financial sector**

Let's start with finance. Instead of a financial system dominated by a few centralized global banks that have subordinated

production to their logic, can we imagine one with a thousand local banks, owned either by their members or municipalities? They would be a repository of local savings and lend them to small enterprises and households in need, whom they would know as intimately as the English country banks knew their neighbourhoods in the early 19th century.

For larger investments and technical support the banks would form their own regional and national bodies. And for the major strategic tasks, there would be a national public bank that would provide funds and advice to the local ones.

These were the dreams of 19th-century co-operators throughout Europe and North America. Today in Britain they would be seen as green utopianism. Yet in Germany they are part of everyday life. There are more than 1,100 independent co-operative banks, with 13,000 branches and 16 million members. In almost every neighbourhood in Germany you will find a co-operative bank, and usually on the other side of the street in co-operative competition will be one of the 15,600 branches of the 430 municipal savings banks or Sparkassen. That is more than 1,500 independent local banks with almost 30,000 branches.

Both the mutual and municipal banks have their own regional and national clearing and specialist banks. Together they dominate retail banking, with the commercial banks confined to less than a third of banking business. The public development bank, the KfW, commits more than 20 billion euros each year to finance the switch away from nuclear energy and to meet its climate-change targets. They need a highly granular banking network to reach the households and small enterprises that are key to the new energy model. That is provided by the co-operative and Sparkassen banks. These two social pillars of Germany's 'three pillar' system have been a principal factor behind the economic success of the small and medium industrial enterprises of the German 'Mittelstand'.

This model of co-operative banking was developed in the

mountainous rural areas in the 1850s to support the local farmers, small traders and artisans ignored by commercial banks, and later in the eastern cities to fund urban artisans and traders. It spread all over Germany and to much of the continent, where it still plays a major part in the national banking systems. In Holland, for example, the second-largest bank (one of the top 30 in the world) is the Rabobank, a confederation of 141 local credit unions. Like the German co-operative banks, and the similarly inspired networks in Canada, they are geared to the welfare of their local economies.

### **The industrial sector**

What about industry? Can we imagine a co-operative region that holds its own in a globalized economy? It might equip its farmers and artisans with the most modern equipment, and help them to form co-operatives to sell their products all over the world. Each town could focus on a particular product so that it developed the necessary specialisms. It could have its own college where the skills of one generation are passed on to the next. The finance would come from local co-operative or public banks, the loans guaranteed by other artisans in the town, and all the invoices and accounting would be handled by a dense network of joint book-keepers and accountants.

This is a description of the region of Emilia Romagna in Italy. Many of the light industries there and in neighbouring regions have not just held their own but become leaders in their sector in Europe. In the ceramics town of Imola the main co-operative is now the largest ceramic producer in Europe. Carpi is one of the major clothing areas in the EU – a town of 60,000 people with 4,000 artisan firms. The Emilian farmers not only supply the local co-operative supermarkets that dominate retailing in the province but they have established their own co-operative processing and branding. Parmesan cheese is made by a co-operative of 550 milk producers, Parma ham by a co-operative of pig keepers on the banks of the Po.

This pattern of production is not confined to the so-called 'third Italy'. There are similar industrial regions in Denmark, Germany and the Basque and Valencian regions of Spain.

Alternatives of this kind already exist in many of the core areas of today's economy. In the face of industrialized food, Japanese consumers (almost all women) in collaboration with local farmers have created a remarkable food box scheme. Once a week they put in their orders, gather to assemble the produce into boxes and deliver them through a network of their own local micro groups (known as Han). The consumer co-ops now have 12 million members and have started associated co-ops for food processing, packaging, design, printing and catering, and are currently extending into childcare, health and elder care.

Or take renewable energy. Denmark produces a quarter of its energy from windpower. This is largely generated from turbines owned by more than 2,000 local wind co-operatives. The UK has many fewer, but those that there are can now distribute their energy through the recently formed Midcounties Co-operative Energy, which attracted 20,000 members in its first year. There are similar thriving co-operative networks in fields such as education, health, social care and sport.

### **Democratic decision making**

Many people's idea of co-operatives is coloured by the problems that any small group of us has in choosing a place to eat, or by the idea of incessant discussions that make it hard to run anything. But in order to survive, co-ops have had to find effective means of running themselves democratically and making that involvement a source of strength, not weakness.

It is least complex at the level that evolutionary biologists say is the maximum for close personal ties. The British anthropologist and evolutionary psychologist Robin Dunbar puts this at 150. Interestingly, the largest 22 worker co-ops in the UK have an average of 41 members, with only the largest, Suma Wholefoods, reaching Dunbar's 150. If anyone doubts the viability of co-ops



they should look at Suma. The staff circulate the various tasks among themselves, so each person knows the enterprise as a whole. They are a constant source of innovative ideas (and are paid equally). The key post is not the finance director but the person responsible for the staff, who would normally be called the director of human resources.

Many co-ops are much larger than this – credit unions can have millions of members – but many of them are built up from what we could call ‘Dunbar cells’, combined into confederations for those things that need a larger scale of operation.

The Mondragon network of worker co-ops in the Basque region of Spain exemplifies this. Its inspiration, the priest Jose Arizmendiarieta, shared Gandhi’s belief in human-scale organizations. If a Mondragon co-op got too large, he recommended it spin off some of its parts to a new co-op. Mondragon’s collective services, such as its bank, are owned by the co-ops they serve, just as the local credit unions control their apex organizations. This is a widespread feature of co-operative democracy – small local units controlling the collective service organizations above them.

There are other conditions for effective democracy. First is a commitment to human-oriented technology. For Gandhi this was epitomized by the spinning wheel. His lifelong argument with Nehru was that the large-scale technology advocated by Nehru would have its own imperatives and interests and could never be subject to effective democratic control. In Mondragon, there is a commitment to modern technology (there are three large research laboratories) but it is a technology that is understood and controlled by the worker-owners.

Second, it is not just a quantitative question of one member, one vote. It is a qualitative one about the degree of a member’s involvement, and his or her development as a person. Gandhi’s formulation was that co-operation was an extension of the principle of self-rule or *swaraj*. He rooted the idea of co-operatives in personal and spiritual and not merely collective

terms. This has been a theme of many of the major co-operative movements, secular and religious, of the past 150 years. In other words, co-ops are not merely about collective economic power but about the skills and rewards of being social. It is about the power to be human, not just the power to get more.

This helps explain the strong emphasis in co-operatives on education. The earliest co-operators, the Rochdale Pioneers, wanted to spend 10 per cent of their surplus on education but were restricted to 2.5 per cent by the Registrar of Friendly Societies. Many of the early British co-ops had a reading room and library, and a wide-ranging education programme for members. The Mondragon co-ops arose from courses run by Arizmendiarieta, and education remains the primary pillar of the group today – it even has its own university. Arizmendiarieta referred to this remarkable network of worker co-ops as an educational project with an economic base.

The idea of co-operative democracy is one of members individually and collectively 'in process', not the punctuated sounding out of fragmented opinion. It is about what the French sociologist Bruno Latour called 'reassembling the social', not as a concept separate and opposed to (or dominating) the individual, but rather as something created and recreated through the forms and processes of daily practice. As a result it works best when its members have a close pragmatic interest in the work of the co-op. There are lessons here that are transferable to the state.

### **The social sector**

The early British consumer societies required members to shop only at their co-op. Each member therefore had a keen interest in the relative quality and price of its products, and how it was run. The same is true of worker and farmer co-ops, and of services such as education and healthcare that benefit from continuing relationships of trust.

The latter are areas of potential co-operative growth. There are many economic problems that involve the collaboration of

different parties for their solution. In social care, for example, there are the receivers of care together with their families and neighbours, as well as the care givers and funders. New multi-stakeholder co-ops have sprung up that have led to a marked improvement in the quality of care. Quebec has been a leader in North America. In Europe it is Italy that has again been the pioneer. There are now 14,000 Italian care co-operatives. In cities such as Bologna social co-ops now provide 85 per cent of public care services.

There is a parallel trend – for similar reasons – in education. In England, there are today 405 co-operative schools. Many of them are in deprived neighbourhoods. As state schools they had been threatened with special measures and transfer to the growing number of private educational chains. Instead they have converted to co-operatives, the membership ranging from children and parents to teachers, community supporters and local colleges. The schools have established their own secondary co-op to provide the kind of support services that local authorities have been cutting and privatizing.

### **The threat from competitive markets**

Karl Marx was in favour of co-operatives. He saw them as practice grounds for working-class people to run the economy. But he thought they would always be limited by the market competition of private capital. The productive power of capitalist technology coupled with cheap labour would always tend to destroy co-operatives or press them to follow a capitalist path. The wings of aspiration would be sharply clipped.

Today's co-operative economy reflects this continuing competition from the market. There are at least four ways in which co-ops have survived:

- Individual visionary initiatives have succeeded in areas peripheral to the main economy. These have been confined to gaps beneath the private market's radar.
- There are some co-ops that, in the face of direct mainstream

competition, have, as Marx forecast, had to match the scale and centralized structures of their private rivals (in some co-operative banking, building societies and mutual insurance, for example). They still have some of the protection of co-operative structures but member ties are weak and open to the threat of demutualization.

- In some countries co-ops have had a measure of protection against the private market via government legislation or financial support.
- Some co-ops have developed networks like those I have described, whose principles and alternative ways of working have given them decisive advantages against private competition.

Particular co-operatives may experience each of these in turn (or simultaneously). Many have started as movements of the marginalized. Some have then grown and found ways of providing services without sacrificing all the advantages of small, human-sized cells.

The successful networks have their own ecology. They collaborate on buying and selling. They raise finance from co-operative banks and share know-how, machinery and even orders. In an era when economies of system are becoming more important than economies of scale, these co-operative systems have proved more than a match for their private competitors.

Even then they will always face the contending forces of chaos and order. Fragmentation can become a weakness rather than a strength. In the face of crises, co-operatives are often pressured into centralization as a means of survival. They then lose the advantages that come from the diversity and engagement of their members. Some of the most successful networks have found ways round this – repairing the faltering units and returning them to their members.

Marx, then, took too narrow a view of the spaces that can be opened up for an alternative economy. Such spaces will always be under pressure – from the market, from the state and at

times from the corrosion of co-operative values and practices internally. In these circumstances, individual co-ops will be like small craft isolated on the ocean. They need the combined strength of a fleet.

### **A new climate for co-operation**

They need also to focus on areas where co-operation – by its very character – has qualities that private capital cannot match. We are living in a period when these areas are growing. There are intractable problems, which neither the private market nor the state in their current forms appear able to solve. In these fields mission-driven co-operatives are potentially a more effective form of enterprise than the private corporation.

In Britain, to realize this potential requires a radical strengthening of our own co-operative economy. The primacy of a broad, liberal co-operative education is a first priority. Ways need to be found to use existing co-operative strongholds as platforms for innovation and expansion into the new ‘intractable’ fields. At a point when ideas, knowledge and information have become the key to competitiveness, every co-operative has to find ways of tapping into the ideas of the many millions of co-operative members.

Co-operatives also have to develop new relations with the state. In the past, civic co-operation has been jealous of its autonomy, while the labour tradition has seen co-operatives as a potential threat to state services. But in many areas they are natural allies, not opponents. Each represents a way of realizing social and environmental goals. There are already examples of public/social partnerships, carefully protected against privatization. For such partnerships to work, the state will need to be innovative in its structures of finance, accountability, employment and contracting.

In the early 20th century there was a strong current among co-operators and guild socialists that recognized such a model of a civil economy and a supportive state. While it was out of tune

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with the era of mass production, the revolution in information technology and the internet has changed the industrial and post-industrial paradigm. It has led to a surge of informal civic co-operation. This is now a world of open source software, Creative Commons, Wikipedias. Informal co-operation has already extended far beyond the dreams of William Morris.

In the formal economy, co-operation is already well rooted. It has its own systems of management and accountability. At its best it is driven by its social rather than short-term profit imperatives. In the debris of the current financial meltdown, this reversal is what so many areas of our daily lives require. Co-operation in its many forms now has the wind behind it. It now has the capacity to expand its fleet.

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This essay first appeared in the radical UK magazine *Red Pepper* in May 2012. For more information visit [redpepper.org.uk](http://redpepper.org.uk)

## 2

# Can co-operatives crowd out capitalism?

**Wayne Ellwood**

In the eyes of the mainstream media and the high priests of the free market, Argentina just doesn't get it. In May 2012, the country was savaged by the international business press for nationalizing the Spanish-owned oil company, YPF. Scarcely mentioned was the fact that Argentina's oil and gas industry was only 'privatized' in the late-1990s under pressure from the International Monetary Fund (IMF) and other hard-line enforcers of then fashionable neoliberal economic policies. Like many countries around the world, Argentina's oil industry used to be state-owned.

Back in 2001, the knives were out again. After years of enforced austerity and 'structural adjustment' the resource-rich South American country was awash in debt, crippling inflation, staggering unemployment and negative economic growth. (Notice any parallels with present-day Greece and Spain?) The IMF's prescription for setting the economy right – 'flexible' labour conditions, deregulation, loosening of capital controls, privatization of state-owned assets, devaluation of the national currency – only made things worse.

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With inflation raging and tens of thousands of workers on the streets, the government finally called it quits, defaulting on its debt and devaluing its currency. Predictably, the kingpins of global finance went ballistic, warning that Argentina would sink into penury and chaos.

It didn't happen. Over the next decade the country's GDP grew by nearly 90 per cent, the fastest in Latin America. Poverty fell and employment rose steadily while government spending on social services slowly increased.

Many factors contributed to this astounding turnaround, including the determination of Argentineans to strike an independent economic course not reliant on the whims of foreign capital.

But a significant part of its success is rooted in Argentina's rich history of co-operatives. Waves of Jewish and Italian immigrants brought the co-operative vision with them during the early 20th century. Co-ops were well established, especially in agriculture, prior to the financial and political meltdown in 2001. According to the International Co-operative Alliance (ICA), nearly a quarter of the South American country's 40 million people are linked directly or indirectly to co-operatives and mutual societies.

So when the national economy collapsed and the country's business class started to bail out, abandoning factories and stripping assets, the workers had a better idea. They decided to form worker co-ops and run the factories themselves. The movement became known as *las empresas recuperadas* (recovered companies). You can see the background to the Argentine crisis and the story of one such takeover in Avi Lewis' and Naomi Klein's inspiring documentary, *The Take*.

It was by no means an easy road. One estimate put the number of factories around Buenos Aires abandoned by their owners at close to 4,000. Argentina was a country steeped in decades of corrupt, clientalist politics and 'I'm-all-right-Jack' trade unionism. Democratic ownership, the workers taking control,



running their own factories as co-operatives, was a stretch. How to re-engineer a top-down system of traditional management where employees defer to authority in an adversarial workplace? The psychological shift alone was daunting. But desperate times can bolster resolve. Against all odds, including belligerent bosses, intransigent owners and reluctant bureaucrats, the idea took hold.

Today, there are more than 200 'recovered' co-operative factories in Argentina – up from 161 companies in 2004 – providing jobs for more than 9,000 people. Most are smallish, which means the hands-on approach is a little easier to manage. Three-quarters of the firms employ fewer than 50 workers, though two per cent have more than 200 employees. They are scattered across a range of industries from shoes and textiles to meatpacking plants and transport firms.<sup>1</sup>

What began as a brave experiment after the economic collapse of 2001 has become a vibrant and stable part of the economy. According to University of Buenos Aires researcher Andrés Ruggeri: 'The workers learned that running a company by themselves is a viable alternative. That was unthinkable before... These are workers who have got back on their feet on their own.'<sup>2</sup>

As in Argentina's 2001 crisis, the co-operative spirit often emerges when times are toughest, in the midst of economic collapse and social disintegration, when people are searching for alternatives. A little history is instructive.

### **Radical thinkers**

Weavers formed the first documented co-operative society in 1769 in Fenwick, Scotland. But the modern co-op movement really began with the Rochdale Society of Equitable Pioneers in December 1844. As the Industrial Revolution rolled across Britain, a menacing, muscular form of capitalism was remaking the country from top to bottom. Thousands of workers lost their jobs to the new steam-powered machines; the cities were

flooded with unemployed; poverty and illness soared as the skies blackened; men, women and small children worked 70 hours a week in life-threatening conditions in the booming mills and factories.

Across Europe, radical thinkers sparked opposition to the ravages of this new industrial capitalism. Proudhon, Fourier, Owen, Marx and Engels all argued for a social and political order where people would come before profit and where co-operation would trump competition. In Rochdale, a bustling mill town north of Manchester, 30 citizens, including 10 weavers, pooled their savings and opened a tiny shop selling candles, butter, sugar, flour and oatmeal. By combining forces they were able to afford basics they could not normally buy. Soon they were also selling tea and tobacco. It was a success and an inspiration that gave birth to a new movement. In the next half-century co-operatives and credit unions spread through Europe and around the globe.

According to the ICA, more than a billion people are now involved in co-operative ventures – as members, customers, employees or worker/owners. Co-operatives also provide over 100 million jobs – 20 per cent more than transnationals. There are producer, retail and consumer co-ops and they're spread across every industry. Members may benefit from cheaper prices, friendly service or better access to markets but, most importantly, the democratic structure of co-operatives means members are ultimately in charge. A core principle is 'one member, one vote'. It's that sense of control that builds social capital and makes co-operatives such a vital source of community identity. Profits might be reinvested in the business, shared among members or channelled to the local community. Because they exist to benefit their members, rather than to line the pockets of private shareholders, co-operatives are fundamentally more democratic. They empower people. They build community. They strengthen local economies.

The stunning success of the co-op movement was reason enough to celebrate 2012 as the UN's International Year of

Co-operatives. But the timing was propitious for other reasons. We're living with an economic system that is producing vast wealth for the few at the expense of the majority. The model is broken and the damage to people, communities and the natural world is growing. In the aftermath of the great financial meltdown of 2008 and the continuing instability of the global economy there is an urgent need – and a deep yearning – for balance and equality. The search for alternatives has never been more urgent. As US social critic and author Chris Hedges has written: "The demented project of endless capitalist expansion, profligate consumption, senseless exploitation and industrial growth is now imploding."<sup>3</sup>

### **Old orthodoxies hold firm**

And so it is. But not gracefully. The owners of capital are unlikely to cede power willingly. The Occupy movement struck a powerful chord and new research underlines the notion that social ills are rooted in inequality. Income gaps weaken society and make things worse for everyone, not just the poor. 'It's what they're yearning for out there on the streets of the Occupy movement – to have some active engagement in their community and in their economy,' says Dame Pauline Green, president of the ICA. 'That's what they want.'

Yet inequality is growing almost everywhere and those in power refuse to do anything about it. In the US, where belief in free markets reigns supreme, the incomes of the richest 1 per cent of Americans grew 58 per cent from 1993-2010 while the rest rose just 6.4 per cent.

Against reason, science and empirical evidence, the old orthodoxies hold firm: 'The market will sort things out. Economic growth will be our salvation. Technology will save us.' Yet people sense there is something wrong even if they can't quite identify the problem. Middle-class budgets are stretched. Young people can't find meaningful work or affordable housing; the ranks of the poor are growing; social services are pared back

while the welfare state is dismantled. People have lost faith in big government, big banks, big business, Wall Street and the City of London. Karl Marx wrote of the dislocating social upheaval of his time that 'all that is solid melts into air'. It is just as apt today.

A central part of what's missing is economic democracy. As corporate critic Marjorie Kelly notes: 'Our politics and economy are so intertwined that imbalances in wealth and ownership have eroded our political democracy. To fix this we need to democratize the economic aspect of sovereignty.'<sup>4</sup>

Without overstating the case, co-operatives can help do precisely that. They offer a way to democratize ownership and to counter the divisions and inequalities of the market economy. The co-op model is a challenge to the hyper-competitive, winner-takes-all model of corporate capitalism. Co-operatives show there is another way of organizing the market where profit is not the sole objective and where, theoretically, fairness is institutionalized and people are at the centre of decision-making.

But can co-ops actually 'crowd out capitalism'? University of Wisconsin sociologist Erik Olin Wright believes they can play a vital role in expanding democratic space. Co-ops help rebuild the public sphere and create a wedge between the market and the state. Wright talks of a 'symbiotic' transformation where co-ops spearhead a wider democratic surge to help bolster civil society and put down roots in the cracks of the existing system.

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Co-operatives can be a community anchor and they can revitalize the local economy. When the Fonderie de l'Aisne in Trelou sur Marne, northeast of Paris, was threatened with closure, a group of 22 former workers came up with a bold plan. They bought the factory and reopened it as a co-operative. Now they run the place themselves. The workers are 'really motivated and provide solutions to problems,' says manager Pascal Foire. 'We work for ourselves and for our own future.'

But for co-ops really to tip the balance, Wright points to

the need for some key policy changes. These include access to publicly financed credit markets at below market rates (to solve the problem of under-capitalization) and more 'cross-subsidizing and risk pooling' between co-ops themselves.

There is no question that mutual support works. The massive Mondragon Co-operative, a \$23-billion global operation in Spain's Basque region, is a case in point. Of the group's 270 component companies, only one has gone out of business during the current Spanish crisis. And all these workers were absorbed by other co-ops.

### **Co-operative by nature**

Despite Mondragon's success, we live with an economic system that is inimical to the spirit of co-operation. Competition and efficiency are its watchwords. You could even say it is systemically unco-operative, based on individuals operating in their own self-interest. The right-wing icon Ayn Rand mythologized unbridled capitalism as the pinnacle of freedom but it was Margaret Thatcher, in her attack on the 'nanny state', who put it most baldly way back in 1987 when she said 'there is no such thing as society'. Mrs Thatcher's current heir in Westminster, David Cameron, is both more cynical and more devious. His 'Big Society' formulation calls on citizens to pick up the pieces after the state withdraws from the provision of social services. Help each other because you're on your own. In the end the vision is the same.

And yet we are a supremely co-operative species by nature. How else to account for our ability to survive and prosper in every corner of this planet, from the frozen Arctic tundra to the blistering Australian outback? Harvard maths and biology professor Martin Novak describes co-operation as the 'master architect' of evolution.

Of course, reality does not always live up to theory. Co-ops operate within market structures and must rely on human beings to make them work. The competitive market is ruthless and those who can't compete are trampled underfoot. Co-

operation can sometimes drift into co-optation. And people are... well, people – sometimes nasty, selfish, lazy, opinionated, bull-headed. While co-operation for mutual benefit is a good idea, the road may be bumpy.

In his recent book, *Wired for Culture*, the evolutionary biologist Mark Pagel argues that culture is made possible by social learning, which in turn depends on co-operation. Evolution allows co-operation to flourish within groups – but not necessarily between them.

‘It is our uniquely human sense of social and cultural relatedness that makes our co-operation work... we are prompted to behave well toward each other; but even slightly perceived differences can end in xenophobia, racism, and extreme violence.’<sup>5</sup>

The same drive that pulls people together can also cause them to turn on anyone different as a perceived threat. Choose your own horror. The list is endless: Stalin’s Gulag, the poisonous antisemitism in Nazi Germany, the slaughter in Rwanda, the carnage in ex-Yugoslavia. The co-operative urge, while strong and innate, does not always lead to sweetness and light. People can co-operate for bad ends as well as good. Street gangs co-operate, but so do surgical teams. Building bridges of mutual understanding and eroding both tribal and group frontiers has to be at the forefront of the co-operative vision.

### **A good idea takes root**

Where plants are closed down, worker co-operatives can reopen them. The ‘recovered factories’ co-op movement is spreading in Latin America. There are 69 ‘recovered factories’ in Brazil, around 30 in Uruguay, 20 in Paraguay and a handful in Venezuela.

We’ve got some endgame issues facing us as a species, problems which will require us to co-operate at a global level if we are to get through the next century without catastrophe. Climate change, resource depletion, ecological collapse and

galloping consumerism: these are challenges few business or political leaders have the courage to confront. The UN itself is one chequered attempt to unite the peoples of the world in a common project of peace and prosperity. It has been fraught, to say the least.

We can no longer afford the free-market shenanigans of the past decade, the free-wheeling state-capitalist Chinese model or the dead hand of traditional communism. We will have to do much better.

Co-operatives can point the way towards a different kind of economic model, where people control capital and not the other way around.

A little real democracy wouldn't hurt.

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1 *Las Empresas Recuperadas en la Argentina*, Andrés Ruggeri, Open Faculty Programme, University of Buenos Aires, 2010. 2 'Worker-run factories in Argentina continue to thrive, boosting the economy and influencing workers in other countries', Marcela Valente, IPS, 12 November 2010. 3 'The implosion of capitalism', Chris Hedges, *Truthdig*, 30 April 2012. 4 'Can there be good corporations?' Marjorie Kelly, *Yes Magazine*, Spring 2012. 5 *Wired for Culture*, Mark Pagel, WW Norton 2012.

#### **Further reading**

- \* John Restakis, *Humanizing the Economy: co-operatives in the age of capital*, New Society Publishers, Gabriola Island, BC, 2010.
- \* Martin Nowak with Roger Highfield, *Super Co-operators: altruism, evolution, and why we need each other to succeed*, Free Press, New York, 2012.
- \* Richard Sennett, *Together: the rituals, pleasures and politics of co-operation*, Yale University Press, New Haven, 2012.
- \* Mark Pagel, *Wired for Culture: the natural history of human co-operation*, WW Norton, London/New York, 2012.
- \* David Sloan Wilson, *The Neighborhood Project*, Little, Brown & Co, New York, 2011.