Commons and Cooperatives

Greig de Peuter and Nick Dyer-Witheford

Abstract

In the last decade, the commons has become a prevalent theme in discussions about collective but decentralized control over resources. This paper is a preliminary exploration of the potential linkages between commons and cooperatives through a discussion of the worker cooperative as one example of a labour commons. We view the worker coop as a response at once antagonistic and accommodative to capitalism. This perspective is amplified through a consideration of five aspects of an ideal-type worker cooperativism: associated labour, workplace democracy, surplus distribution, cooperation among cooperatives, and, controversially, links between worker cooperatives and socialist states. We conclude by suggesting that the radical potential of worker cooperatives might be extended, theoretically and practically, by elaborating connections with other commons struggles in a process we term the circulation of the common.

Commoners and workers

In the last decade, talk of “commons,” “commoning,” and even “commonwealth,” has become, well, common, on the left in discussions of collective but decentralized control over resources ranging from farmlands to fresh water, ocean fisheries, clean air, software code, and genetic information. Starting point for critical accounts of the commons is typically the historical destruction of the collective land of pre-capitalist agricultural communities; in Europe between the 16th and 18th centuries these were enclosed by mercantile landlords eager to sell agricultural goods in an expanding world market. Such enclosures were a crucial part of the process of primitive accumulation, creating early capitalism’s dispossessed proletariat from displaced rural populations. These commoners did not go quietly: enclosure faced “hydra-headed” opposition, but these struggles were lost and largely forgotten.

Interest in commons was revived by neoliberalism. Confronting the late-twentieth century onrush of global capital, activists and theorists found in the image of the commons a perspective from which to criticize privatization, deregulation, and expropriation in numerous domains: land wars caused by the continuing enclosure of farmlands and displacement of rural populations by
agribusiness, energy mega-projects and urban developers in Asia, Latin America, and Africa; ecological struggles over issues from pesticide poisoning to clear-cutting to species-extinctions and climate change; digital activism such as the free and open-source software movements and ‘creative commons’ challenges to intellectual property law; and resistances to corporate ownership of the genome of plants, animals, and humans. Commons has become a concept connecting multifarious struggles against capital’s old but ongoing primitive accumulation and its new horizons of futuristic, high-tech accumulation.

Beyond resistance to enclosures, commons politics involve renewed attention on the forms of association through which communities can govern shared resources. The once powerful idea of “the tragedy of the commons”--which claimed that, without the protection of private property rights, natural resources will be degraded by neglect--has been not just challenged but reversed by theorists proposing a “cornucopia of the commons” or “inverse commons” in which collectives produce more robust, inventive results than commercial entities. The vocabulary of commons has, moreover, provided anti-corporate and anti-capitalist movements a way of talking about collective ownership without invoking a bad history--without conjuring up “communism,” conventionally narrowly understood as a command economy plus a repressive state. Commons discourse resumes older discussions about “public goods,” but breaks new ground, both in the range of ecological, biogenetic, and cultural domains it addresses, and in its interest in the possibilities for the organization of resources from below, rather than according to the models of command economies or bureaucratic welfare states.

Commons politics, and the discourse around it, has its limitations. The term commons has come to cover a proliferation of proposals, some highly radical, but also some reformist, and others even potentially reactionary. As George Caffentzis points out, neoliberal capital, confronting the debacle of free-market policies, is turning to “Plan B”: limited versions of commons--be it carbon trading models, community development schemes, biotechnology research, and open-source practices--are introduced as subordinate aspects of a capitalist economy. Here voluntary cooperation does not so much subvert capital as subsidize it. Just as the original commons were an element within, rather than an alternative to, a brutally coercive feudal order, so, too, in isolation, today’s commons experiments may just supplement, not challenge, capitalist exploitation. In addition, and germane to the focus of this article, while discourse about commons is popular among environmental, digital, and biotechnological activists, it is often disconnected from labour politics. Talk of commons less frequently intersects with the lexicon of unions, solidarity, and strikes. It thus risks being disassociated from issues of work and wealth, class and poverty--where what is at stake is, still, capital’s denial of commonality via the private control of
the means of production. It is as an antidote to this rift that this article discusses
the worker cooperative as one form of labour commons.⁶

Worker cooperatives are a historically deep element in counter-capitalist
movements from the 19th and early 20th centuries, and are a resurgent
component in the contemporary search for economic assemblages alternative
to planet-wide capitalism. This paper suggests “the new cooperativism,” to use
the term framing this journal issue, be situated in the context of a wide set of
struggles over various forms of commons. Linking together commons and
cooperatives is, we believe, valuable on several counts. The history of the worker
cooperative movement provides a practical demonstration of the art of
collective association key to all commoning practices. It also offers an example
of decentralized control of common resources that potentially connects the
traditions of labour struggle to the modes of activism honed by both ecological
and networked radicals. At the same time, the scope and diversity of commons
activism indicates the broader currents for social change with which
cooperativism must be interwoven if it is to become part of “the coming
economies” beyond capital.⁷

Cooperatives can be seen as a response, at once antagonistic and
accommodative, to capitalism. This point is amplified in what follows through a
brief consideration of five aspects of ideal-type worker cooperative practice:
associated labour, workplace democracy, surplus redistribution, cooperation
among cooperatives, and, controversially, links between cooperatives and
socialist states. Elements of these constitute the worker coop as a labour
commons. We suggest in our conclusion, however, that the extension and
actualization of the radical potential of worker cooperatives requires
interconnection with other commons struggles—a process we term the
circulation of the common. Our essay’s perspective is Marxist, but one informed
by other traditions of anti-capitalism present in both commons and cooperative
struggles.

As capitalism enclosed the commons and destroyed traditional agrarian
communities, cooperatives were one form of collective organization that the
dispossessed proletariat adopted in an attempt to maintain its security and
dignity amid the hellish new industrial order. It was in response to “the social
dislocations of the industrial revolution” that in 1844 the most famous prototype
of cooperativism arose in Rochdale, England, the Rochdale Society of Equitable
Pioneers.⁸ Industrial wage labourers, unemployed craft workers, and customers
frustrated by commercial swindles discovered in the cooperative a means to
exercise greater collective control over production and consumption. By the
mid 1800s, cooperatives were an integral part of the social fabric of many
English towns, spanning customer-owned retail stores to worker-owned factories to free adult-education classes run by coop societies.

The same period saw a mix of enthusiastic and trenchant commentary on cooperatives. Marx, in 1864, would laud the “cooperative movement, especially the cooperative factories”:

The value of these great social experiments cannot be overrated. By deed, instead of by argument, they have shown that production on a large scale, and in accord with the behests of modern science, may be carried on without the existence of a class of masters employing a class of hands.\(^9\)

Marx viewed the coop factories within a historical dialectic of social forms of labour: the cooperatives demonstrated to him “that, like slave labour, like serf labour, hired labour is but a transitory and inferior form, destined to disappear before associated labour plying its toil with a willing hand, a ready mind, and a joyous heart.”\(^10\)

At a broader, strategic level, Marx was circumspect about the value of the coops. “Excellent in principle” and “useful in practice,” he insisted “cooperative labour,” confined to a “narrow circle of the casual efforts of private workman, will never be able to arrest the growth in geometrical progression of monopoly, to free the masses, nor even to perceptibly lighten the burden of their miseries.”\(^11\) What Marx goes on to say—“To conquer political power has therefore become the great duty of the working class”—perhaps helps to explain why relatively few in the Marxian tradition would examine coops in the coming decades.\(^12\) “Restricted to dwarfish forms,” Marx concluded, “the cooperative system will never transform capitalist societies.”\(^13\)

There is some dispute about the balance of positive and negative elements in this complex assessment of coops.\(^14\) We will revisit Marx’s comments on the shortcomings of the worker coop later. For the moment, we return to Marx’s allusion to “associated labour” as a collective subjectivity animating the cooperative factories.\(^15\) Picking up on a reference by Marx to a “mode of production of associated labour,” Teinosuke Otani has spoken of “associated labour” as work that “sheds the alienated guise it has had as wage labour.”\(^16\) Associated labour is, suggests Otani, voluntary (i.e. people are no longer forced to work for a wage in order to exist); communal; consciously planned; on a sufficient scale to mobilize “social productive power”; scientific (i.e. using modern technologies); satisfying workers’ needs (i.e. as against the subordination of those needs to the requirements of capital); and realizing participants’ “species being,” or, broadly, their interconnection with other humans.
The at least partial fit between associated labour and the worker cooperative is noted by Michael Lebowitz. The power of capital, writes Lebowitz, derives from “captur[ing] the fruits of cooperation.” In the capital-labour relation, he goes on to say, “each wage labourer is an individual, isolated owner of labour-power.” In contrast, in a worker coop where the business is collectively owned and controlled, the individual no longer meets capital as an isolated seller of their labour capacity, but, rather, confronts capital as associated power. Moreover, rather than capital acting as “mediator for wage-labour,” the worker cooperative replaces “capital as mediator ... in the purchase of labour-power.” As the Canadian Worker Coop Federation puts it: “In a worker coop capital is the servant of the cooperative.” This apparent inversion of the power relation between labour and capital has implications that extend to workers’ control over the labour process, in that associated cooperative labour also replaces capital, says Lebowitz, “in the direction and supervision of production.” Not immediately answerable to the managers of capital, potentially “the whole nature of work can change”:

Workers can cooperate with each other to do their jobs well; they can apply their knowledge about better ways to produce to improve production both immediately and in the future; and, they can end the division in the workplace between those who think and those who do.

Although Lebowitz is not dismissive of Marx’s own worry that cooperators can just the same “become their own capitalist,” he also cites Marx’s more optimistic view of worker coops as “practical demonstration that capital was not necessary as mediator in social production,” and, as such, act as an example of a “‘republican and beneficent system of the association of free and equal producers.’”

For a contemporary example of such a system, one could cite FaSinPat, an abbreviation of Fábrica Sin Patrón, which translates as “factory without bosses.” FaSinPat is a 400-member, worker-owned and -controlled ceramic tile plant in Argentina. The context of its emergence was the collapse of the country’s economy in 2001-2002, when the contradictions of Argentina’s neoliberal restructuring exploded. During a lockout, workers self-organized against their notoriously anti-labour employer, subverted their compliant union bureaucracy, took the decision to illegally enter the factory, restarted production independently, and adopted the assembly as a political model for democratic decision-making in the workplace. After a protracted battle in the courts, the tile workers were granted the right to operate as a cooperative.
Assumption of the legal form of the coop made FaSinPat recognizable in the eye of the state, thus providing some shelter to this enclave of self-management within a national context in which job creation was a matter of survival. Here we note that the “key need” to which the worker cooperative is said to respond is that for “viable and meaningful employment for its members.” What is more, however, is the broader set of principles associated with worker cooperativism, including those of “self-help, democracy, equality, equity, and solidarity.” FaSinPat has been described as a factory put “at the service of the community.” To take just one example, cooperators have directed portions of their surplus toward the funding of the construction of a local health clinic. Through acts of solidarity such as this, FaSinPat supports the needs of its surrounding neighbourhood, the residents of which initially aided workers in the reclamation of the plant from its former owner. FaSinPat has justifiably become an icon of the autonomous power of associated labour in the wider currents of self-management in Argentina today.

**Workplace democracy**

“Democracy” was for the Rochdale Pioneers “the fundamental principle of cooperation,” and “the principle most sharply differentiating cooperatives from capitalist business.” Its strongest expression is when the division of worker and owner is eradicated, where the worker cooperative is comprised not of employer and employees, but rather of a membership of worker-owners who collectively own the assets of the coop. In addition to collective ownership, the worker coop is distinguished as a “democratically controlled” organization; this is reflected, at the most basic level, in a commitment to equity, namely, one person, one vote--as opposed to one’s capacity to make, and influence, decisions being proportionate to one’s quantity of property. According to the Canadian Worker Coop Federation: “Through the democratic governance of the coop, all members have equal opportunity to affect the way the business is run and to offer input on the decisions affecting their everyday work lives.”

If cooperative workplace democracy extends the opportunity to the people who work in a coop to govern its operation, how this plays out in practice of course varies widely. Worker coop members generally elect a board of directors drawn from the membership of the coop itself--unlike in a conventional capitalist firm where employees have no say in the appointment of directors. Further to this, a coop might devolve decision-making power in various ways. For example, at the 400-member FaSinPat, there are thirty “work units,” each one electing a committee representative who represents the department at coop wide weekly assemblies attended by all workers, although workers collectively “vote to approve or reject the departments' proposals.” Assemblies address not only production issues, but also “joint campaigns with other community groups.” At Mondragón Corporación Cooperativa (MCC)--the famously successful inter-
cooperative group in the Basque Country with more than 150 coops and 85,000 workers—each individual coop in the group has its own Governing Council, and each coop elects delegates who in turn attend an annual meta-MCC Governing Council assembly. Budget allocations, compensation policies, and expansion plans are among the topics conceivably up for collective voting.

One of the main goals associated with worker cooperatives is said to be that of “increasing democracy in the workplace.” One instance of this pertains to pay equity. Historically, MCC, for example, has had in place a policy setting limits on the disparity between the highest and lowest paid in a cooperative. Some worker coops even practice almost complete pay equity despite differences in skill sets or seniority, such as in many of Argentina’s worker-recuperated enterprises. Where management is concerned, coop managers are generally expected to take decisions in the light of cooperative principles. The broad point of workplace democracy is, however, that the notion of member control implies members possess a greater ability to shape the content of their job and the environment in which it is performed--a commitment to dignity in work. In this respect, a worker cooperative with a more radical membership might seek to implement tactics for challenging a rigid division of labour by adopting a version of what participatory economics theorists Michael Albert and Robin Hahnel term a “balanced job complex” in which workers would perform a mix of roles so that rewarding and onerous tasks are more equitably distributed.

Providing “the best possible employment conditions for the members” is regarded as one of the central goals of a worker cooperative. Critics point out, however, that a philosophical commitment to workplace democracy does not guarantee an experience of empowerment at work. Based on interviews with shop floor worker-owners at MCC, for example, Sharryn Kasmir reports that apathy, oppression, and hierarchy persist in these cooperative workplaces. Kasmir attributes this to a division of power that still tilts in favour of managers. While this might suggest there is a place for a union, trade unionists and worker cooperators have had a sometimes-tense relationship. Kasmir rejects the assumption that labour unions are redundant in a worker coop, and, in the case of MCC, worries that the discourse of cooperativism risks obviating class struggle, separating coop workers from other segments of the working class, and disproportionately rewarding managers. Hahnel likewise notes that although representative democratic procedures are in place at MCC, there has been a “drift toward greater managerial domination of decision making,” and, moreover, the commitment to pay equity has been weakened, posing the risk of the “reemergence of class divisions.”

We can see both strengths and limits of worker coops’ self-definition in terms of democracy by looking at one of the better-known social-democratic arguments in support of worker-ownership. Against “corporate capitalism,” Robert Dahl's...
case for “economic democracy” is based on a parallel he sees between the state and the enterprise: both are a “political system,” in that each involves a power relation between the governor and the governed. If this is accepted, he asks, “is it not appropriate to insist that the relationship between governors and governed (in the enterprise) should satisfy the criteria of the democratic process--as we properly insist in the domain of the state?” Dahl reasons that if democracy is deemed inappropriate in regard to enterprise, then it cannot be justified at the level of the state either. In terms of worker ownership specifically, for Dahl, a worker coop does not negate property rights but democratizes them, in the process distributing wealth in a manner that reflects and fosters equity. More broadly, Dahl suggests that the decentralization of control at the level of the enterprise promotes democracy within but also beyond it by expanding opportunities to participate in making decisions on matters that affect one's life. Critics of coops, however, are not so certain about this diffusing influence, but fear, rather, that the line of influence can run the other way, from the anti-democracy of the market into the coop, corrupting its emancipatory promise: this is a discussion we return to later.

**Surplus distribution**

One of the traits linking the worker coop to commons traditions concerns the distribution of economic surplus. For George Holyoake, a nineteenth-century historian of the British cooperative movement, the overriding cooperative principle is that of the “distribution of profits to all those who had a hand in generating them, including both consumers and employees.” Commitment to distributive justice is embedded in the cooperative principle of “member economic participation.” Put in Holyoake’s class-conscious terminology, cooperativism is rooted in a belief that “[i]t is more reasonable and better for society and progress that men (sic) should own capital than that capital should own men (sic). Capital is the servant, men (sic) are the masters.” The worker coop is an institution of the labour commons where worker-owners view surplus as a product of their shared efforts, and, as such, ought to be distributed equitably and democratically among those who created it.

Remuneration practices in coops vary widely. MCC, for example, uses the term *anticipos*, rather than “wages,” to refer to the monies paid out at regular intervals to individual worker-owners as an advance on anticipated earnings. Other coops speak of a “draw” account to which dividends are deposited regularly. In terms of setting compensation levels, some coops might take their cue from private businesses operating in the same sector, others might adopt a strict wage-equity policy as with some worker coops in Argentina, and others still, especially those occupying a competitive industry and employing managers, might impose a ceiling on the differential between the highest and lowest paid occupational levels as with Mondragón.
Some studies have suggested that productivity in coops matches and sometimes exceeds that of conventional firms. If, after wages and operational expenses are covered, the coop has a surplus, this leaves the question of its distribution. This surplus is likely to be modest on account of the cooperative principle of “limited returns on capital.” How surplus is distributed in a cooperative in practice varies of course. But, generally, and in keeping with the cooperative commitment to workplace democracy, worker-owners decide on it through collective mechanisms, and it will typically be set in a coop’s by-laws. Theoretically, however, worker-owners may have the option to vote for an increased individual bonus, or dividend, as a means of consuming the surplus. The attractiveness of this option to individual cooperators would lead some critics to fear that there is a tendency toward self-exploitation as coops come to internalize capitalist behaviour. Marxist critics of coops might argue worker-owners have a strong self-interested incentive to increase their individual return, rather than to invest surplus in fixed capital or reserve savings to make the enterprise more sustainable in the long run; this is one reason some statist socialists who see merit in coops with regard to control of the labour process might advocate publicly-owned worker-managed firms over full worker-ownership.

To open up some of the issues around “surplus possibilities,” it is useful to turn to MCC, probably the most famous of all contemporary worker cooperatives. Headquartered in the Basque region of Spain, MCC is an inter-cooperative group of more than 150 worker-owned coops whose core activities range from retailing groceries to manufacturing automotive parts. It maintains (for the time being) the standard of socio-economic development that thousands of mostly industrial coop workers have toiled to achieve in the Basque since the first coop in the MCC network was launched in 1956 by a group of young engineers. They did so under the leadership of Don José María Arizmendi Arrieta, a Catholic priest who advocated cooperativism as a strategy for the collective survival and self-determination of the Basque people in response to widespread unemployment and cultural repression under the then ruling fascist Franco regime.

MCC’s success can be attributed in part to the way this coop network has managed its surpluses. At the meta-governance level of MCC’s General Council, some time ago cooperators voted to implement policies pertaining to the administration of the surplus that would counteract the risk to sustainability posed by individual economic self-interest. Ten percent of MCC’s surplus, following a Spanish law, is redirected toward charities, education, or culture, etc. How the remainder is distributed is at the discretion of worker-owners. In the current MCC model, 70% of the surplus is distributed as a dividend to individual worker-owners’ individual capital accounts. Although the member can withdraw the interest earned on the account, the principle amount is
inaccessible until the member retires or resigns. Surplus is therefore used to protect and promote job growth, arguably MCC’s *modus operandi*.

Today MCC is not only one of the ten top-earning corporate groups in Spain but is increasingly internationalizing production through foreign direct investment in emerging economies. In countries such as China and Hungary MCC operates industrial affiliates as conventional capitalist firms--typically run by Basque managers--in a familiar quest for reduced labour costs and for proximity to their industrial clients. Relocation has strengthened the core coops’ competitiveness on the world market. Those who view coop praxis through an anarchist lens of the coherence of means and ends are, not surprisingly, deeply critical of MCC’s globalization methods, seeing it as a drift away from cooperative principles.

### Cooperation among cooperatives

This brings us to an issue central to our thesis about the need for cooperatives to connect to other commons initiatives--that of coops’ relation to the wider economic order. From the perspective of cultivating economic autonomy, the development of links within the cooperative sector itself is of great significance. The sixth principle in the Statement of Cooperative Identity is “cooperation among cooperatives”—an ethos of mutual aid that encourages individual coops to support one another and contribute to the development of a parallel economy through practices of inter-cooperation. In this way, coops would reduce their dependence on, and seek to gain autonomy from, conventional capitalist enterprises; this is the movement-building aspect of cooperativism.

In addition to the formation of coop associations (e.g. International Cooperative Alliance), one possible manifestation of cooperation among cooperatives is inter-cooperative sourcing—the sourcing of products and services from other coops. For instance, a consumer coop might have a purchasing policy in place requiring employees always try sourcing a product from a coop supplier before buying from a conventional firm. Similarly, a worker coop might seek to concentrate on supplying other worker coops or consumer coops. These are examples of a “cooperative economy,” in which an objective is “the creation of a social structure capable of supplanting ... profit-making industry.”

Pragmatically, however, inter-cooperative sourcing can be a challenge, as it can be time-intensive simply to find a coop seller; one can imagine, however, a role for cooperatives associations to respond to this dilemma by creating a coop-centered version of the Social Purchasing Portals currently used by a small but growing number of city governments to connect purchasers and sellers who are mutually commitment to “social economy” values.
Another example of inter-coop cooperation is the development of means of financing for coops. Under-capitalization is a chronic problem in the coop sector; this explains the disproportionate number of worker-coops in lines of business that are often more labour intensive rather than capital intensive. Credit unions are hence of strategic importance in the development of a cooperative sub-system. To see these dynamics at work we can turn again to MCC. An ethos of inter-cooperation has been integral to Mondragón since its early days. The success of MCC is often attributed to Caja Laboral, which was positioned at a nodal point within a wider multifunctional coop to aggregate coop surplus and to redistribute it to meet the needs of, and expand, the network of coops.\textsuperscript{54} One of the premises behind Caja Laboral is that retaining local jobs depends upon maintaining local control over savings. Caja Laboral retains the surplus, and offers loans, at affordable interest rates, to new coops, and also manages a fund that aids coops in periods of financial need. In addition to these forms of direct financial support, Caja Laboral also offers MCC coops “extensive research assistance on technologies, products, and markets, (and) in-depth training in cooperative principles of management.”\textsuperscript{55} The new coops that are supported with the collective’s surplus potentially provide services or manufacture goods that serve the needs of other coops in the network, and therefore reduce MCC’s reliance on external capitalist suppliers.

There are also examples of coops and associations based in the North establishing education programs where groups of people visit the South and aid communities in setting up coops, as an approach to cooperative international development. MCC also demonstrates this; its Lanki project establishes links between the coops in the Basque and small coops in the South:

> The idea is to join forces and knowledge within the framework of an inter-cooperation system, which was set up with the objective of aiding comprehensive self-management processes focusing mainly on grassroots economics organizations in the developing world. The key which defines this new channel for cooperation is the establishment of a bi-directional flow for these organizational processes, which constitute the seeds for endogenous, sustainable and equitable development.\textsuperscript{56}

Practices of cooperation among coops suggest the possibility that within the overall global system of capital a non-capitalist sub-system might grow its counter-power, reduce reliance on the primary system, and potentially render it redundant. In inter-coop cooperation we see at least a nascent possibility of how the social product of the labour commons can contribute to the expansion of a new system which seeks to continually enlarge its autonomy. Before exploring this possibility further, however, we should look at the vexed issue of worker coops’ relation to state socialist projects.
Marx, as we have seen, saw the cooperatives of the 19th century as important and inspiring—but ultimately an inadequate strategy for supplanting capitalism. Revolutionary energies ought to concentrate, he believed, on the taking of state power. In looking forward to a post-capitalist society, however, Marx spoke of how “cooperative labour ought to be developed to national dimensions, and, consequently, to be fostered by national means.”57 This would become a familiar socialist model in the 20th century: Lenin declared the “growth of cooperation ... identical with the growth of socialism”;58 Stalin insisted on more direct state involvement in coops, which were regarded as a “school for communism”;59 Mao made commune membership mandatory; and, next to the hyper-centralization of the Soviet model, Tito promoted a comparatively decentralized system of “workers' self-management” in Yugoslavia in which each worker belonged to a Basic Organization of Associated Labour.60

The legacy of worker coops in socialist states is controversial. Not least because political autonomy and voluntary membership are among the longstanding principles of cooperativism, while socialist models have subordinated these values to state authority.61 It seems undeniable, however, that the creation, maintenance, and proliferation of worker coops today depend on the existence of state support of some kind. At minimum, there must be a legal framework recognizing the cooperative as a legitimate form of enterprise. Beyond this, governments may have varying levels of policy commitment to support the development of cooperatives.62 In this regard, the contemporary experiment in state-supported cooperativism that attracts most attention is the “cooperative revolution” in Venezuela.63

Since the election of Hugo Chávez, cooperatives have become a prominent part of Venezuela’s national economic policy.64 In 1999 the Venezuelan constitution was revised to enshrine the state’s responsibility for the promotion and protection of coops; in 2001 a Special Law on Cooperative Associations was passed; and in 2003 the then newly created Ministry of Popular Economy broadened the range of government support for coop development by, for example, funding buy-outs and providing self-management training. When Chávez took office, fewer than 1,000 coops were registered (representing about 20,000 members). By 2006, more than 100,000 coops were registered (representing over one million members)—a third in commerce, restaurants, and hotels; another third in transport, storage, and communications; and the rest divided between agriculture, hunting and fishing, and manufacturing. While most of these coops are small, an important subset is comprised of large industrial cooperatives, which can be the result of a national expropriation policy that targets bankrupted firms and converts them into coops.
The relationship between the Venezuelan state and individual cooperatives is guided by the concept of “co-management.” Described as “an alternative to capitalism,” Lebowitz contrasts co-management to the system of Yugoslav self-management. In the latter, Lebowitz writes, “[t]he focus of workers within each firm was on their own self-interest…. What was missing was a sense of solidarity with society as a whole, a sense of responsibility to and responsibility for society.” Although the Yugoslav enterprises were state-owned, and viewed as social property, they functioned in the market and were driven by the interest of the workers in the confines of an individual enterprise.

Co-management, by contrast, implies both solidarity with communities external to the enterprise and state involvement in coop operations. Coops designated “social production enterprises” are obliged to set aside a portion of their surplus for local social uses; such policies regulating the distribution of surpluses attempt to embed coops in their local community. Co-management also seeks to achieve other policy objectives of the Venezuelan government, from combating unemployment to fostering local economic-development alternatives to dependency on foreign corporations. Above all perhaps, co-management refers to a state ownership stake, especially in firms operating in strategic industries; in expropriated plants in such industries, the ownership arrangements are such that the state owns 51%, workers 49%. Expropriated plants may be run by elected representatives of workers “alongside government appointees.”

Lebowitz contrasts the “triangle” of capitalism (private property, exploitation of labour, and production for profit) to Chávez’s “elementary triangle of socialism”: units of social property, social production organized by workers, and production for the needs of communities:

Co-management implies a particular kind of partnership—a partnership between the workers of an enterprise and society. Thus, it stresses that enterprises do not belong to the workers alone—they are meant to be operated in the interest of the whole society. In other words, co-management is not intended only to remove the self-interested capitalist, leaving in place self-interested workers; rather, it is also meant to change the purpose of productive activity. It means the effort to find ways both to allow for the development of the full potential of workers and also for every member of society, all working people, to be the beneficiaries of co-management.

The limits, contradictions, and obstacles to co-management in Venezuela are many. Venezuelan co-management is nonetheless perhaps the major experiment in popular economic participation so far in the twenty-first century.
Capitalist co-option or circulating common?

J.K. Gibson-Graham and their colleagues problematize what they see as a “capitalocentrism” suffusing anti-capitalist discourse. It is suggested that the categories of mode of production used by Marx are to be understood not as “historic chronology but as a formal typology that could be present in any combination.” A worker coop could thus be viewed as a “communal enterprise” within and against capital’s dominant distributive logic to the extent that in a worker cooperative “the workers who produce the wealth also collectively appropriate and distribute the surplus associated with their productive economic activity.” How surplus wealth is managed is, as we noted earlier, one of the sharpest distinctions between a worker coop and a conventional capitalist firm. Does this mean that worker-owners, in a situation where common ownership over assets is combined with labour’s sovereignty over the surplus, have transcended capitalist exploitation?

Some would regard this line of questioning as naïve. Here it must be noted that running throughout this paper is a familiar but fundamental point: that, from the perspective of anti-capitalism, the worker coop is a deeply ambivalent organizational form. The issue is not only that worker coops are vastly uneven in terms of the political commitments animating them. Even more basic is the ambiguity arising from how worker coops operate inside the wider capitalist economy and therefore escape neither the discipline of the market nor the hegemony of the commodity form. This market containment is one of the reasons why the radical labour movement and some socialist theorists have been skeptical of coops as a means to counteract capital. We have already cited Marx’s critique of the tendency of cooperatives within capitalism to assume “dwarfish forms.” The radical economist Robin Hahnel expands on this concern:

[W]hen worker-owned firms must compete in goods, labour, and financial markets with capitalist firms which adhere to the bottom line there is relentless pressure on worker-owners to abandon prioritizing the quality of work life and fair systems of compensation, and to succumb to exploitative relations with suppliers, customers, external parties, and the environment.

Elements of a cooperative ethos can even be framed as a way of revitalizing capitalism when capitalists confront declining productivity and employee morale. Take, for example, the logic at play in Richard Reeves’ article “We Love Capitalism,” published in The New Statesman: “The solution is this: for the people who work in an enterprise to have a real financial stake in its long-term performance. Firms in which employees are also the ‘co-owners’ are more
productive, with more engaged employees.” Reeves is careful to stress that this is not about “reheated cooperatives,” but rather “the next-generation capitalist business model.” He refers to this model as “socialism without the state”—or “capitalism with more capitalists.”

For worker coops to avert a co-optive fate they must be part of a larger vector of transformation moving beyond capitalism. The failure of authoritarian state socialism, the ascendancy of neoliberalism, and, recently, its catastrophic financial crisis, have prompted a wave of new thinking about the form of such system-change, such as the schematic models of “life after capitalism” offered by Michael Albert, or the more fluid conceptualizations of a post-capitalist politics proposed by Gibson-Graham. As a contribution to this discussion, we propose the concept of “the circulation of the common.” It is, again, Marx who provides our point of reference—not, however, so much as a theorist of the seizure of state power but rather as an analyst of how modes of production emerge, grow, and become self-perpetuating.

Marx deemed the “cell form” of capitalism to be the commodity, a good produced for exchange between private owners. In the “circuit of capital” the commodity is exchanged for money, which buys resources in turn transformed into more commodities. This cycle is expressed in the formula, $M \cdot C \rightarrow \ldots \cdot P \ldots \cdot C' \rightarrow M'$. Money ($M$) purchases as commodities ($C$) labour, machinery, and raw materials for production ($P$) to create new commodities ($C'$) that are sold for more money ($M'$), part of which is retained as profit, part used to purchase more means of production to make more commodities; rinse and repeat. This becomes an auto-catalytic, self-generating, boot-strapping process.

Within this circuit, there are different kinds of capital. The transformation of commodities into money ($C - M$) is the role of mercantile capital; the production of commodities by means of commodities ($P$) is conducted by industrial capital, and the conversion of money capital into productive capital is the ostensible task of financial capital ($M - C$). This is the growth mechanism that converts the cell form of the commodity into what Marx termed more “complex and composite” forms, an entire capitalist metabolism, the path from capital’s molecular level to its molar manifestation. If we think of a rotating sphere not only accelerating in velocity as its speeds its circulatory processes but expanding in diameter as it fills more and more social and geographic space, we have the image of global capital.

If the cellular form of capitalism is the commodity, the cellular form of society beyond capital is, we suggest, the common. A commodity is a good produced for exchange, a common a good produced to be shared. Exchange presupposes private owners between whom it occurs. Sharing presupposes collectivities within which it occurs. The circuit of the common traces how these
collectivities—which we term association—organize shared resources into productive ensembles that create more commons, which in turn provide the basis for new associations. So in a rewritten circulation formula, C represents not a Commodity but Commons, and the transformation is not into Money but Association. The basic formula is therefore: \( A \rightarrow C \rightarrow A' \). This can then be elaborated into \( A \rightarrow C \ldots P \ldots C' \rightarrow A' \).

Just as the circulation of capital subdivides into different types of capital—mercantile, industrial, financial—we should recognize differing moments in the circuit of the common. Let’s call them eco-social, networked, and labour commons. Eco-social commons would be institutions managing the biosphere not as a commercial resource, but as the shared basis for any continuing form of human association—collective agencies for planetary climate control, fishery reserves, protection of watersheds, and prevention of pollution. Eco-social commons indicates that the same planning logic also encompasses epidemiological and public health care provisions, regulation of the food supply, biotechnological monitoring, all understood, again, not as strategic opportunities for commercial exploitation, but as a precondition of species life.

By networked commons we mean communication systems that unleash, rather than repress, the tendency of digital technologies to create non-rivalrous goods and common pool resources that overflow intellectual property regimes. We are thinking not merely of liberal “creative commons” initiatives, but of large-scale adoption in public institutions of open-source practices; the remuneration of cultural producers in ways that allow the relaxation of commercial intellectual-property rights; plus the education and infrastructures that make access to peer-to-peer systems a public utility as common as the telephone.

By labour commons we mean the democratized organization of productive and reproductive work. And this brings us back to worker cooperatives, in which the workplace is an organizational commons, the labour performed is a commoning practice, and the surplus generated, a commonwealth. Worker coops would not, we emphasize, be the sole component of a labour commons. Their growth would have to go alongside (and could potentially be aided by) wider measures; for example, we think that there is much to be said for the combination of worker coops with a universal basic income, conceived not as a glorified welfare handout, but as an acknowledgement of the contribution to collective productivity of every life. But accompanying such a guarantee of basic material conditions of dignity, worker cooperatives would, as an expression of self-organized associated labour, be exemplary “cells” building a larger commonwealth metabolism.

To speak of the circulation of the common is to propose connecting eco-social, labour, and networked commons to reinforce and enable one another,
creating a circuit in which the common goods and services produced by associations at one point in the circuit provide inputs and resources for associations at another, making what Gibson-Graham call a “generative commons.” So, for example, we can envisage large-scale eco-social planning seeding various worker cooperatives and associative enterprises, which then in turn generate the goods and services required for ecological, public health, and welfare planning— including the non-rivalrous networked commons, a pool of free knowledge and innovation to be used in turn in the planning and production of the eco-social and labour commons.

The three moments in our model of the circulation of the commons— ecological, labour and network or communicational—map onto the three moments of the circulation of capital— financial, industrial, and mercantile— yet also signal a profound alteration in their logic. While the financial circuit of capital defines that system's prime directive, making money from money, the ecological circuit specifies a contrary priority, the preservation and enhancement of the biospheric commons; where the industrial moment of capital’s circulation concerns the appropriation of productive surpluses by owners, the labour moment in commons circulation specifies the sharing of these surpluses by workers and their communities; and while the mercantile moment of capital hinges on commodity exchange as capital’s most important form of social interaction, the communicational moment in the commons involves the dialogic interaction necessary for democratic planning and an economics of association. Thus the circuit of the common and the circuit of capital are symmetrical yet shifted, homologous but displaced from one another by transition to a set of alternative social priorities.

Theoretical and abstract as these formulations may sound, we find concrete and practical demonstrations of the circulation of commons in the various experiments in solidarity economics gaining traction in Latin America and elsewhere. Brazil’s solidarity economy system, for example, arises from movements of workers and landless peasants, infused by liberation theology traditions, and by the history of quilombos (self-governing communities) of escaped slaves. Strongest in agricultural production, the sector also includes industrial, service, and software components. It links workers cooperatives and self-managed enterprises with alternative financial institutions, consumer cooperatives, and fair trade systems in an attempt to create a self-reinforcing network of economic activities in which participants’ activities are informed by an ethical and political sense of shared social responsibilities. The units of these networks are conceived not just as individually following principles of social and environmental justice, but providing inputs for each other, to create an inter-cooperative, self-expanding system.
Euclides Mance, a leading solidarity economist, writes of “socially based cooperation networks” reinforcing their component parts until “progressive boosting” enables them to move from a “secondary, palliative or complementary sphere of activity” to a “socially hegemonic mode of production.” This solidarity economy now garners some support, however equivocal, from the Worker Party government elected in 2002, which, for example, funds experiments in the development of digital tools not only to map participant organizations, but also to track inputs, outputs, and wastes so that the sector can be increasingly integrated and self-sufficient. The difficulties and pitfalls faced by Brazilian solidarity economics under a Lula government that often continues to follow neoliberal policies are manifest; nonetheless, it is a striking example of the sort of cell-growth of commons envisaged here.

Such a circulation of commons can only arise from the circulation of struggles, that is, from social experiments created in resistance to the expanding circulation of capital. As we noted at the outset, fights for commons—terrestrial, networked, labour—are underway. The circulation of the common is a forward projection of these contests; it is a concept of emergence. If capital is an immense heap of commodities, commonism, as we envisage it, will be a multiplication of commons. The idea of the circulation of the commons proposes a systemic transformation, but starts small, with cellular model of commons and association that is simple, even rudimentary. It then scales, at levels from the domestic to the municipal to the planetary. The totality it envisages is a multiplicitous one—a complex, composite non-capitalist society composed by an interaction of different kinds of commons with distinct, specific logics.

This is not necessarily a model of changing the world without seizing power. The role of the state in co-management initiatives, such of those of the Venezuelan and Brazilian governments we noted earlier, may be vital in allowing the circulation of commons to attain a critical mass. Our concept does, however, suggest that growth and interconnection of the commons have to precede such state interventions, to prefiguratively establish the necessary preconditions. It must also grow beyond the moment of such direct interventions, in a proliferation of self-starting components that exceeds centralized control. In this sense, the idea of the circulation of the commons is a concept from and for the Marxian tradition of autonomous free association.

Even as we acknowledge the many constraints on and co-options of worker cooperatives, we think it unwise to dismiss their contribution to widening the horizon of commons politics. Despite their contradictions, worker coop experiments are part of a long tradition of troubling the subject of waged-labour (associated labour), developing an ethics of production (workplace democracy), sharing wealth produced in common (surplus distribution), demonstrating the state can aid in the encouragement of alternatives to
capitalist enterprise (state support), and fostering a parallel, community solidarity economy (cooperation among cooperatives). Furthering the radical potential of these labour commons initiatives, rather than reducing them to modest forms compatible with capitalism, depends, however, on worker coops becoming part of a broader movement—what we term the circulation of the common—with the explicit aim of creating not just more work but rather workable alternatives to the dominant mode of production: cooperating to produce not more jobs under capitalism, but more of life in common.
1 Greig de Peuter is Assistant Professor in the Department of Communication Studies at Wilfrid Laurier University. He is co-editor, with Mark Coté and Richard J.F. Day, of Utopian Pedagogy: Radical Experiments Against Neoliberal Globalization (University of Toronto Press, 2007). Nick Dyer-Witheford is Associate Professor and Associate Dean in the Faculty of Information and Media Studies at the University of Western Ontario. He is the author of Cyber-Marx: Cycles and Circuits of Struggle in High-Technology Capitalism (University of Illinois Press, 1999). Together, Nick Dyer-Witheford and Greig de Peuter are the co-authors of Games of Empire: Global Capitalism and Video Games (University of Minnesota Press, 2009), and, with Stephen Kline, of Digital Play: The Interaction of Culture, Technology, and Marketing (McGill-Queen's University Press, 2003).


10 Ibid., p. 80.
11 Ibid.
12 Ibid.
18 Ibid., p. 88.
24 Canadian Worker Coop Federation.
25 Ibid.
26 M. Mendez, cited in Trigona.
28 Fairbairn, pp. 27-28.
29 Canadian Worker Coop Federation. (n.d.) What is a worker coop? http://www.canadianworker.coop/worker-coop. Controversially, however, worker cooperatives can also employ hired labour, which is an example of how coops are antagonistic and accommodative to capital.
30 Ibid.
31 Ibid.
33 Ibid.
36 Canadian Worker Coop Federation, n.d., What is a worker coop?
37 Hahnel, p. 354.
41 Canadian Worker Coop Federation, n.d., What is a worker coop?
44 Hahnel, pp. 354, 355.
46 Fairbairn, p. 20.
47 International Cooperative Alliance.
51 International Cooperative Alliance.
54 See: Morrison. Also see: Hahnel, p. 354.
55 Hahnel, p. 354.
57 Marx, 1992, p. 80.
61 International Cooperative Alliance.
64 The statistics in this paragraph are drawn from: Bowman & Stone.
65 Lebowitz, 2005.
66 Ibid.
67 Bowman & Stone.
68 Lebowitz, 2005.
70 Byrne & Healy, p. 253.
71 Ibid., p. 248. See also: Gibson-Graham, p. 101-126.
72 In We build the road as we travel, Morrison asserts that in a formal sense worker coops “abolish wage-labour for the worker-owners” (p. 65).
75 Hahnel, p. 249.
77 Albert; Gibson-Graham.


Gibson-Graham, p. 125.


The Green Worker Cooperatives Initiative (http://www.greenworker.coop) in New York City is a contemporary North American small-scale example of the wider possibilities we imagine in, in this case, connecting eco-social commons and labour commons.

References


Canadian Worker Coop Federation. (n.d.) What is a worker coop?  
http://www.canadianworker.coop/worker-coop

http://www.globaljusticecenter.org/papers/caffentzis.htm


Morrison, R. (1997). We build the road as we travel: Mondragon, a cooperative social system. Warner, NH: Essential.


