

WORKER COOPS IN CRISIS

By John Curl

Most people are naturally cooperative. To an extent. Given a reasonable context, most people naturally find common ground and negotiate their differences. Walking down a crowded sidewalk, shopping in a busy supermarket, or driving in rush hour, people rarely bump into each other and fight. Without simple economic group cooperation and mutual aid, human society would never have developed.

But capitalism does not provide a reasonable context for cooperation. Under this system people are forced to compete for basic resource. Many people spontaneously respond by inventing ways to go under or around the system, and that is a source of initiative for numerous coops today.

Thomas Jefferson wrote, “Whenever there are in a country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate the natural right. The earth is given as a common stock for man to labor and live on.”ⁱ That was a key concept of Jeffersonian democracy, and the underlying basis for Abraham Lincoln’s Homestead Act, which opened millions of square miles of Western land to people who were willing to work it. Jefferson was talking about the commons of our little planet, the birthright of every child. In that era, the U.S. was primarily a country of farmers and would-be farmers, farmers without land. Lincoln was using government to make land available to landless farmers. In today’s world we cannot all be small farmers, but these concepts still apply to work as we know it.

We are in a deep global crisis. Instead of generating universal prosperity, the economic system is privatizing the wealth of the world and channeling it into the hands of a small elite, who use the power inherent in that wealth to control our planet as if it were their private playground. That is intentional. The system is geared to do that. Its mission is to produce private profits, not to enhance social justice or to solve social problems. Escalating technology under this system doesn’t mean general prosperity, but instead it means escalating loss of skilled jobs for workers, and resulting poverty.

Accelerated climate change under this system means accelerated population displacement and war. An ever-expanding world population under this system means ever-expanding marginalization of ever-larger populations and exacerbation of every social and economic disorder. Unemployment, marginalization, and poverty are structured into the very bones of the current economic system.

Dystopian visions abound today. We really don't have many options. Scientific consensus warns us that climate change alone will devastate the lives of hundreds of millions of people, who in the near future will no longer be able to live how and where they are living today. Doing nothing now means truly endless, global cataclysms and war. Faced with chaos, large numbers of desperate people always turn to warlords to bring order out of the mess. Do we really want the choice to be between fascism and chaos? Can we get out of this corner? Increasing numbers are even concluding that the best hope for humanity is to abandon this planet and start over somewhere else.

Well, bon voyage! Those of us who are staying, those of us who are not blinded by individualism and greed, who see our personal fate as tied to the rest of humanity, are gearing up to make this Earth livable, thriving, and sustainable.

That means reinventing and instituting a new economic system.

Can Collectivity Change The World?

Some genius conjures up a perfect social program and everybody jumps right in. It doesn't work like that. Society isn't a computer. The notion that society can change like you can slip into a new suit, doesn't lead to any real social progress. In that sense we need to reject utopian thinking.

Yet radical social change has never happened without a vision. Every movement needs a vision. That's really not utopian. Lacking the vision of a better alternative to the status quo, people will sink ever-deeper into despair and accept the terrible straits they are in. We need visions of a better society, attainable visions, and social movements to realize them. That is all very real and pragmatic. And even when a movement is successful, society and the world are not static; every solution results in new problems.

Has human society today ever really been on track? Or has it always been a train wreck? Most students of history can probably agree that there have been eras of greater and lesser social justice and accomplishments, highs and lows. Particular times and places that we can look to as role models, even though they had downsides; and other times and places that we can look to as cautionary tales.

Beneath the thin veneer of individualism and competition, the American point of view has been intimately shaped by Native American culture. The concepts of Jeffersonian Democracy are deeply connected to cooperative and communal tribal traditions. Tribal societies were an inspiration to Enlightenment ideas of “natural rights.” The perception that humans crave a natural freedom and work democracy that we all once experienced as part of a tribe, is deeply embedded in the American psyche.

Most Native American traditions hold that society was once on track, and has lost its way. Native culture looks back to ancestors for guidance, those who knew the proper way to live, and lived according to that way. Grandmother and grandfather followed “the good road,” the right way of doing things. Native culture also looks forward. Our every act today affects our seventh generation grandchildren. Never forget that. Everything we do must be for them, our seventh generation grandchildren. Tribal societies have their downsides, like all human societies. But they do have community. And community is totally alien to capitalism. Years ago I worked with the Navajo (Diné) people in New Mexico, and when someone was acting badly, the Navajos used to say, “He’s acting like he has no family.” They meant that in an expansive sense. Navajos have large extended families and a clan system. Their customs make it shameful to refuse to share with a member of the extended family or clan. That makes it extremely difficult for a traditional Navajo to be a successful capitalist.

From this perspective, the alienation of modern society has one root in its interference with these more natural social structures and relationships. Market capitalism lauds the employee system as the basis of human “freedom” but, as most employees understand, the system has also always been a tool of oppression and bondage. Capitalism brings out some the worst in human nature, turning some of us into oppressors and others into oppressed.

Worker coops are a transformative social movement based on natural cooperation. A close dynamic has always existed between cooperation as a natural social formation, and coops as a transformative social movement. Coops are probably the most integral and organic form of organization beyond the family, which is also a cooperative-communal institution.

The worker cooperative movement offers a path to liberation from this economic bondage, through work democracy. An economic system based on worker coops and other forms of cooperation, mutual aid, and commons, offers a way beyond both capitalism and chaos.

How Did We Get To This Point?

The worker cooperative movement was one of the first social movements of modern times, with roots in the beginning of the industrial revolution, and it was an integral part of the early labor movement.

Worker cooperatives were organized by some of the very first North American labor unions in the early 1800s. The earliest unions were basically mutual aid organizations. In many of the earliest strikes, the journeymen formed worker cooperatives, sometimes temporarily to support themselves during the strike, and sometimes to continue on a permanent basis. These cooperatives were facilitated by the fact that most industrial production was still done with comparatively simple hand tools.

Worker cooperatives became a modern movement with a broad social mission in the 1830s, in reaction to the injustices of the rising capitalist system and the concomitant impoverishment and disempowerment of the working classes. Worker cooperatives were promoted by the first national labor organizations.

Capitalism was the ideology of the conquering elite in the Civil War, based on the wage system and the employer-employee relationship. While the war abolished chattel slavery and ultimately “freed” all slaves, capitalism instituted a subtler form of bondage in which people rented themselves to other people for specific time periods and under specified conditions. Other forms of the same bondage system included piece-rates, share-cropping, tenant-farming, and various labor contracting. The social mechanism used to compel enough people to “voluntarily” rent themselves into this temporary

bondage, was poverty. The endless flood of nearly-destitute immigrants to America provided a seemingly inexhaustible bounty of willing victims, and added to that were the destitute “freed” slaves. The union movement was the revolt of the wage slaves.

In the decades after the Civil War, worker cooperatives were integral to the overall strategy of the labor movement. The Knights of Labor (KOL), the largest labor organization in the world at that time, organized a network of almost 200 industrial cooperatives in the 1880s. The KOL fought for higher wages and better working conditions and, at the same time, attempted to construct a vast chain of worker coops, with the mission of abolishing wage slavery, and replacing capitalism with workplace democracy in what they called a Cooperative Commonwealth. This concept arose autochthonously in America, separate from the socialist ideas coming from Europe at that time, but conceptually interrelated to those ideas. The Cooperative Commonwealth vision was based on free associative enterprises in a regulated market economy, with the government relegated to infrastructural functions and public utilities, such as water systems, roads, railroads, etc. This concept was fundamentally distinct from the state socialist concept of the government running the entire economy through state enterprises, with all workers as government employees. The Cooperative Commonwealth vision was Jeffersonian.

During this same period, American small farmers also organized cooperative movements with similar motive, strategies, and ends. The rural US at that time was populated primarily by freeholding farm families, who were hard pressed economically, and who organized cooperative movements for purchasing supplies and marketing farm products. Their opponents were the railroads, bankers and middlemen. The main farmer organizations were first the National Grange (NG) and later the Farmers’ Alliance (FA). Parallel to the union movement, the farmer cooperators saw their mission as organizing an alternative economic structure that would supercede the existing one, a network of cooperatives that would be the lever of their liberation from economic oppression. Historian Michael Schwartz called the Farmers’ Alliance Exchanges “the most ambitious counterinstitutions ever undertaken by an American protest movement.”ⁱⁱ

This was the “gilded era” of the industrialist “robber barons,” a time of enormous social strife, and the KOL cooperative movement was in the thick of it. The Knights of Labor were defeated by the robber barons in 1886-‘87, in the wake of the national May Day strike for the 8-hour day in 1886 and the ensuing Haymarket riot and nationwide crackdown on all dissent. The power of capitalism allied with government destroyed the KOL worker cooperatives. The press branded the KOL in the press as dangerous radicals, and the capitalist system cut off their credit, supplies, and ability to do business. This was the ultimate triumph of industrial capitalism in the US, and the end of the era when industrial workers thought they could defeat the system economically and supercede it through peaceful competition by building an alternative parallel cooperative system.

When the KOL collapsed, the American labor movement continued on a different footing from the European movement. In most of Europe, the socialist movement and workers parties had become an accepted part of the political landscape, while in America they were excluded from the mainstream. As historian Kim Voss wrote in *The Making of American Exceptionalism*, “American industrial relations and labor politics are exceptional because in 1886 and 1887 employers won the class struggle.”ⁱⁱⁱ

In rural America, the coalition of bankers, wholesalers, and manufacturers destroyed the Farmers’ Alliance cooperative system a few years later.

The FA and the KOL played one last card. Forming a “third party” alliance, they went into electoral politics and were instrumental in organizing the Populist Party, the most successful third party in American history. They ultimately joined with the Democrats and narrowly missed electing William Jennings Bryan to the presidency in 1896.

After the demise of the KOL, the surviving American Federation of Labor (AFL) began to dominate the US labor movement. The AFL accepted the wage system, and focused on negotiating contracts and working conditions.

In the early 20th century, visions of industrial freedom and workplace democracy were put back on labor’s agenda by the Industrial Workers of the World (IWW) and other organizations, but instead of building worker coops as counter-institutions, they looked to take over the existing industries. They planned to run them for the benefit of all, as their

anthem stated, “in the Commonwealth of Toil that is to be.” The government and industrialists attacked the IWW and beat it into a shadow of what it had been.

The Great Depression of the 1930s and the New Deal changed the relationship between government and coops in the US for a generation. With the New Deal the cooperative movement won support at the highest level of government for the first time. The New Deal was also a great backer of the labor movement and adhered to strong government regulation of the capitalist system.

New Deal programs provided enormous help to rural and farmer cooperatives, igniting rural recovery from the depression. But urban cooperatives were not a significant part of the programs. Above all, industrial worker coops were excluded. The New Deal drew the line at helping coops that challenged the wage system, which Roosevelt was trying to revive.

From the New Deal’s beginning, reactionary forces worked tirelessly to stymie it, and dismantled it piece by piece, particularly after World War 2. Cooperatives that survived the war were attacked by McCarthyism, and most were purged of any connection to a social movement. Numerous government regulations over capital, corporations and the market were removed, while worker organizations were diminished and hamstrung by new laws. Small farmer cooperatives found a fierce enemy in escalating corporate agribusiness.

In the 1960s and 1970s, a new generation rediscovered cooperation, collectivity, and communalism. They created their own structures and definitions, inspired by a new political opposition movement and in turn shaping that movement. In a unique way, the Sixties gave new life to a vision of America that, unknown to most to the young visionaries themselves, closely reflected the older cooperators’ dreams. Like their forebears, the new coops and collectives struggled between their dual identities as “pure and simple” cooperatives and a radical social movement.

But the activism of the ‘60s and 70s frightened many people, and in the mid-1980s the country sank into a long rightward spin. Reaganism’s false promises of prosperity through deregulated capitalism were flying high.

Until the bubble finally burst, the economy came crashing down, and the government mortgaged our grandchildren's future to bail out the banking system. Much of what used to be US production facilities still sit idle and rusting, while the ranks of the unemployed and marginalized continue to grow every city.

Today's resurgent cooperative movement arose from that volatile mix.

Where Do We Go From Here?

The cooperative movement is both old and new. It is surging today in the US and around the world in reaction to the terrible straits that working people find themselves mired in, gifted to us by globalized capitalism.

In 2002 the United Nations General Assembly recognized that cooperatives "are becoming a major factor of economic and social development," and urged governments to promote their growth by "utilizing and developing fully the potential and contribution of cooperatives for the attainment of social development goals, in particular the eradication of poverty, the generation of full and productive employment and the enhancement of social integration;... creating a supportive and enabling environment for the development of cooperatives by, inter alia, developing an effective partnership between Governments and the cooperative movement."^{iv} The UN declared 2012 to be the International Year of Cooperatives.

Today's worker coops operate primarily in the spaces that the corporate system cannot and will not fill. In the US, 85 percent of jobs are in the service sector (nongovernment and nonfarm),^v and these are often best performed by small enterprises. Small industrial-artisanal enterprises do not usually need costly technology. Both of these sectors, services and small industries, are fertile ground for worker coops and social enterprises.

Grassroots social movements in the US and around the world have turned to cooperatives to empower people and improve their living conditions. People band together into cooperatives because they need others to share work, expenses, and expertise, and because they prefer working in a democratic situation. Cooperatives provide a dignified living for people who would otherwise be unemployed or

marginalized. Many of the new social enterprises arise from spontaneous initiatives, and many are being organized, coordinated, and backed by nonprofit coop development organizations, governments, and communities. Nonprofits have turned to organizing social enterprises to fulfill social equity missions. Communities and governments have turned to them for economic development. Coops are proving to be a successful economic development strategy, helping through mutual aid to lift populations out of marginalization and poverty.

How Can We Get There?

What is capitalism anyway? Today's transnational capitalist system doesn't have one fixed center that you can march on and surround. You can't overthrow it by storming Congress, or the White House, or the Wall Street Stock Exchange, or the World Bank, or the International Monetary Fund. Sometimes when you try to grab it, it slips like water through your hands. Its core is as fungible as money, its general staff moves around, its reach is almost everywhere. Although capitalism uses the government to enforce the system, the economic system is not the government, and cannot be superseded by overthrowing the government.

Is capitalism as inevitable as trade in the marketplace? When Cortes and his little army of Conquistadors rode into Mexico City for the first time in 1519, he was amazed at the size of the Aztecs' market place. Did the ancient Aztecs' market mean that they were capitalists?

Moving beyond modern capitalism requires an understanding that it is a regime.
A transnational regime.

A group hegemony that determines the rules of society.

I'm not arguing against regimes. They are not by nature a bad thing. Every society needs a regime. Hopefully a benevolent one. Our current regime is anything but benevolent, being based on power, individualism, self-interest, domination, greed. We need a regime based on cooperation, sharing, community, commons, economic democracy.

We live in a time of regime collapse. The old regime is unable to rule as before, and is unleashing powerful forces it has no way of controlling. But regime collapse, without a new regime ready to take over, results in chaos. In a crisis like this, in hard times, working people help each other with spontaneous mutual aid. But can that spontaneous meme morph into a liberated regime with a sustainable structure? War lords wait in the wings, backed by the old regime, encouraging chaos, and ever-ready to strong-arm into the vacuum.

The cooperative movement can help us all get through this ongoing global crisis. Collectivity helps people through adverse and hostile environments.

But isn't collectivity still just a sector in a world dominated by the regime of transnational corporate capitalism? Can the cooperative movement actually transform global capitalism into something else?

Long ago, when the regime of dinosaurs ruled the commons of Earth, mammals were just colonies of small creatures thriving under rocks and tree roots. When the dinosaur regime collapsed, the colonies of small creatures came out and took over the commons.

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ⁱ Philip S. Foner, ed., *Thomas Jefferson: Selections from His Writings*, (New York: International Publishers, 1943) , 56-57.

ⁱⁱ Michael Schwartz, *Radical Protest and Social Structure: The Southern Farmers' Alliance and Cotton Tenancy, 1880-1890* (Chicago: University of Chicago Press, 1976), 217.

ⁱⁱⁱ Kim Voss, *The Making of American Exceptionalism: The Knights of Labor and Class Formation in the Nineteenth Century* (Ithaca: Cornell University Press, 1993), 232.

^{iv} UN General Assembly, “Resolution on Cooperatives in Social Development,” UN Resolution A/RES/56/114, Adopted 18 January 2002.

<http://www.copac.coop/publications/unpublications.html>

^v Douglas B. Cleveland, “The Role of Services in the Modern US Economy,” (Washington, DC: Office of Service Industries, US Chamber of Commerce, International Trade Administration, 1999),” <http://www.ita.doc.gov/td/sif/PDF/ROLSERV199.pdf>