

Beyond co-option: revisiting the transformative function of ‘workers’ self-directed enterprises’

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Introduction

In several recent accounts on the prospects for social change, commentators have sought to assign a transformative role to enterprises owned and managed by workers. According to Gar Alperovitz (2011; 2013), for example, these economic organisational forms – among others – not only offer solutions to the problems generated by capitalism, but are also said to have initiated a gradual process of social transformation or ‘evolutionary reconstruction.’ Such views are echoed in Richard Wolff’s work, in which ‘workers’ self directed enterprises’ (WSDEs) are presented as both a ‘superior way to organize production’ and one of the ‘contemporary programs for progressive social change’ (2012: 2).

Belief in the transformative capacity of cooperative enterprises, however, is not new. In the UK, a large proportion of the Rochdale Pioneers identified with the socialist cause, and shared Robert Owen’s optimism regarding the possibility for cooperatives to lead the development of a new social (and ‘moral’) order. In the US, the Cooperative League was initially led by Dr James Peter Warbasse who drew the inspiration for his leadership from Marxian socialism and Kropotkin’s anarchist vision (Chambers 1962). From its inception, then, the cooperative movement in both countries was imbued with the hope of serving the large-scale transformation of society into a socialist order. With such origins and the emergence of a particularly ruthless capitalist model in mind, the treatment of the cooperative sector, and particularly those enterprises owned and managed by workers themselves, as a gateway to large-scale social change by contemporary commentators seems understandable.

However, what appears to be given insufficient attention in these accounts is the attempt to reflect at length on the political implications of these enterprises’ mode of operation and their members’ attitudes. Often, the affinity between their democratic and egalitarian ethos and a non-capitalist or anti-capitalist vision is assumed or even treated as necessary, as the mere fact of participating in ‘organisational democracy’ is thought to ‘further justice, equality, freedom’ (Pateman 1976: 22-3). By paying closer attention to the mode of operation of ideal-typical worker-owned and -managed cooperatives, as well as their members’ attitudes towards bourgeois values, one nevertheless observes a somewhat different

picture. One indeed realises that the principles upon which they rest, e.g. freedom, cooperation, equity have, to a degree at least, been perverted by the underlying principles of the bourgeois economic culture, such as competition and the pursuit of self-interest. In short, despite their potential to act as counter-cultural outlets under capitalism, they do run the risk of co-option by the latter.

In this article, I explore some of the conditions under which co-option emerges, identify possible avenues for holding it in check and, more broadly, re-assess the role WSDEs could potentially play in serving large-scale social change. In the first section, I diagnose the forces at work in the perversion of cooperative principles and values. The second section will discuss possible avenues for the development of WSDEs into counter-cultural outlets, by identifying key pre-existing counter-cultural forces and drawing the contours of a strategic vision aligned with such forces. Overall, it will be shown how a return to the often-overlooked work of guild socialist, G.D.H. Cole, can provide the vision of a society-wide system within which cooperatives are in a position to preserve their values and principles and steer societies beyond capitalist economic relations.

Diagnosing co-option

The task of re-evaluating the achievements of worker-owned and -managed enterprises may seem a futile, unnecessary and surprising exercise, given both the climate of optimism reigning among contemporary analyses of the cooperative economy and the latter's clear success in providing stable, secure, fairly rewarding and productive economic practices. Their present capacity to pave the way for a society of self-governing citizens can nevertheless be called into question. This is partly due to the existence of conditions hindering their potential development into capitalism's counter-cultural forces. A close look at their mode of operation and members' attitudes will help shed light on those conditions.

WSDEs and bourgeois values

Implied in the attribution of a transformative role to cooperatives is the claim that such forms of organisation can induce an ethical conduct serving the spread of a particular set of political-economic interests. Here one effectively finds a view shared by Max Weber in his own account of the emergence of a new political-economic order. Indeed, as the German sociologist observed, the ethical foundations of a particular organisation like religious sects 'could legitimate and put a halo' around a particular set of values like the one found in 'traditionalism's' counter-culture, namely the 'capitalist spirit' (Weber 2009: 199). References

to a potentially transformative role of other associations exhibiting similar structural features to those found in cooperatives, e.g. the medieval guilds, seem to provide additional support for the optimistic accounts mentioned above. In fact, as Bate and Carter (1986) showed, worker cooperatives can, and indeed have at times, succeeded in developing what they called a ‘counter-definition.’

In this section, we will examine forms of economic cooperation that are thought to be those most likely to develop such a counter-definition, namely worker-owned and -managed enterprises, for, as Wolff (2012) argued, mere ‘workers’ self-management has mostly served private or state capitalism’ (2012: 121). Consequently, those most susceptible to act as a ‘cure’ for capitalism ought to combine workers’ self-management with workers’ ownership. These are what he called ‘workers’ self-directed enterprises’ or ‘WSDEs,’ which in virtue of combining the principle of self-government with that of shared ownership are thought to be the most likely contenders for the development of a ‘counter-definition.’ Enterprises such as the American Plywood cooperatives of the Pacific Northwest (1921-1990s), or the Mondragon cooperatives in Spain are examples of WSDEs, often held as ideal expressions of the principles of the modern cooperative movement.¹

Research on WSDE members’ political attitudes (Greenberg 1981 and 1983) has nevertheless called into question these organisations’ capacity to foster a mentality or consciousness aligned with socialist principles. Given the significant implications of these findings for the debate on cooperatives’ transformative capacity, their absence from recent accounts of the cooperative sector (e.g., Alperovitz 2011; Shantz and Macdonald 2013; Wolff 2012) is somewhat surprising. A particularly striking element coming out of this research is the failure of the combined application of self-government and shared ownership to pave the way for a socialist ‘character.’ Here, both principles are instead shown to have led WSDE workers to develop a ‘small business mentality’ (Greenberg 1981: 35). As Greenberg put it:

With respect to the outside world, the producer cooperatives seem to nurture outlooks characterized not by community, mutuality, equality and confidence in others, but outlooks more congruent with the tenets of classical liberalism: those of individualism, competition, limited government, equality of opportunity and inequality of condition, and so on. The data indicate that those entering the cooperatives bring with them a small-property/petit-bourgeois experience and outlook, and that tenure in the co-operatives serves both to maintain some elements of this orientation and to enhance others. The cooperatives thus seem to take people

¹ While Pencavel described the Plywood cooperatives as ‘close to the ideal of cooperative forms of production’ (2001: 21). **Mondragon is frequently cited by Wolff (2012) in part III of his work on WSDEs, where the latter are discussed as a possible ‘cure’ for capitalism.**

with attitudes appropriate to a market economy and nurture them further in this regard. (1981: 41)

In his work on the highly successful Pacific Northwest Plywood cooperatives, Greenberg reveals that despite their implementation of self-government and shared ownership, they fell short of yielding the expected counter-definition. By the 1980s, a third of these co-operatives had in fact disappeared due to what Berman called 'the failure of success,' whereby workers choose to benefit individually from the increased value of their enterprise's share instead of keeping it afloat (Berman 1982). Similar developments could also be seen in the O&O Philadelphia supermarket cooperatives. Six of these WSDE supermarkets were opened in the 1980s, but by 1989 five had been sold. A key reason for such closures could be found in the 'worker capitalist outlook' of their members, which tended to favour immediate personal gain over long-term and collective economic security (Lindenfeld and Wynn 1995). What one therefore finds in such WSDEs is a more or less explicit acceptance of 'success as defined by growth and money' (Giese 1982: 320) and, consequently, a strong basis for compatibility with the capitalist regime of accumulation.

What could nevertheless be said about one of the most famous WSDEs, which continues to be held as an economic success and ideal expression of cooperative principles, namely Mondragon? Wolff described this particular WSDE as one of the 'historical examples we can learn from' (2012: 143) particularly due to its resilience in the face of crises, competition and technological change. Despite having experienced their own structural and economic crises, Mondragon cooperatives have succeeded in maintaining their close alignment with cooperative principles and continue to operate on the basis of highly democratic, solidaristic and egalitarian production processes. Father José María Arizmendiarieta, founder of Mondragon, nevertheless remained committed to the principle of political neutrality. This poses a challenge for the cooperative's capacity to develop an anti-capitalist outlook, given the fact that neutrality itself 'is a political concept,' and by avoiding an appeal to particular political-economic interests, cooperatives can implicitly turn their neutrality into a silent support for 'the existing social order' (Giese 1982: 320).

The aforementioned findings must nevertheless be relativised, for they are applicable to particular WSDEs. Some recent attempts to immunise WSDEs from bourgeois values can also be observed. In the UK, for example, the 'network for housing and worker cooperatives working for radical social change' called Radical Routes (www.radicalroutes.org.uk) aims to lead the development of WSDEs into non-capitalist economic organisations. However,

additional research by Greenberg revealed that WSDEs are likely to fall short of meeting such goals in both ‘stable market-capitalist societies devoid of class-based politics or ideology’ and ‘stable market-capitalist societies with manifest class-based politics or ideology’ (Greenberg 1983: 203). In fact, as he further pointed out, ‘there is very little empirical research to support the overall generalization that workplace democratization advances the movement for economic democracy’ required to challenge ‘structural features of capitalist institutions’ (207), except in societies that have paved the way for a ‘revolutionary setting.’² Workplace democracies, he concluded, ‘are necessarily the product of a revolutionary process and not the catalyst or incubator for it’ (208). Without a vibrant politico-strategic movement underpinning their *raison d’être* as counter-cultural outlets, then, WSDEs are unlikely to pose a serious challenge to capitalist institutions and the values upon which they rest.

The role of social and political movements

Recent research on the nature and spread of Argentinian ‘workers’ self-managed and recovered companies’ following the highly destructive 2001-2 economic crisis seems to confirm Greenberg’s findings (Ozarow and Croucher 2014). This particular movement, it is argued, ‘exhibited a sharp political edge, as they occurred within the context of this wider rebellion’ (Ozarow and Croucher 2014: 995) induced by a generalised disaffection towards political and economic elites and giving them the impetus to act as a counter-cultural force to capitalism up to this day. This force was, as noted by Rebón et al., drawn from a previously dominant economic culture whereby a ‘specific form of labor – salaried and full- time, stable and with social benefits – became a key element of identity’ (2016: 39-40). As such, it aimed to ‘engage in a significant polemic with the dominant [capitalist] culture’ (Bauman, 1976: 47) by re-creating a lost set of values marked by ‘pride in work and pride in being a worker’ (Rebón et al., 2016: 40).

WSDEs can, then, develop a long-term counter-definition, but as the product of a past and/or pre-existing set of counter-cultural values. However, given the nature of WSDE members’ political outlook and the generally apolitical character of these organisations in mediated societies such as those found in North America and Western Europe, the prospects for an ‘evolutionary reconstruction’ through the gradual expansion of the pre-existing

² Greenberg provides several examples of such ‘settings,’ from the Paris Commune to the anti-Soviet struggles in Poland and Czechoslovakia.

cooperative sector (and its culture) may not be as bright as Alperovitz and Wolff suggest. Thus, despite offering alternative organisational forms such as shared ownership and democratic decision-making processes, WSDEs fall short of yielding the form of revolutionary consciousness necessitated for large-scale social change, unless they emerge as political forces in themselves. Without their attachment to a political vision capable of cultivating their counter-cultural status, WSDEs run the risk of subsuming their otherwise unconventional modes of operation under the logic of the capitalist market. It was in turn shown that their capacity to ensure a long-term opposition to the dominant capitalist culture rests on reviving their militant idealism and, for example, aligning operational features such as shared ownership and self-government with pre-existing social or political movements.

With the rise of neoliberal capitalism since the 1970s, individuals in advanced capitalist societies have nevertheless come to be subjected to new conditions of existence, opening up new possibilities for the development of WSDEs as counter-cultural outlets. With the breakdown of the social democratic compromise and the emergence of the neoliberal political economic regime, one witnesses a massive reduction of welfare provisions and privatisation of services, all contributing to the re-emergence of sharp socio-economic inequalities (Harvey 1990; Piketty 2014). It is amid such conditions that two global social movements emerged, namely Alter-globalisation and Occupy. While both emerged in distinct socio-economic contexts – the former at a time of prosperity, the latter in the aftermath of one of the most destructive financial crises the capitalist world has ever experienced – parallels between them can be observed, which shed further light on the conditions required for the realisation of WSDEs' transformative potential.

Of particular interest here is the principle of horizontalism, originating from Argentinian workers' spontaneous and self-managed organisations, and providing one of the core theoretical foundations for the operationalisation of decentralised, egalitarian and democratic decision-making processes making up the Alter-globalisation movement. These were replicated in Occupy's 'horizontal assemblies,' aimed at eliminating 'hierarchy, bosses, managers, and pay differentials' (Blumenkranz et al. 2011: 10), and maximising dialogue between the various members organised into working groups. Furthermore, as a 'movement of many movements' (Klein 2001: 81), Alter-globalisation comprised 'innovative conceptions of social justice and solidarity, of social possibility, of knowledge, emancipation, and freedom' (Gill 2000: 140) encompassing concerns and demands emanating from both 'emancipatory' and 'life' politics (Sörbonn and Wennerhag 2013). Occupy exhibited very similar features with the 'inner core of the movement' not only calling for 'different policies'

aimed at increasing socio-economic equality, but also advocating ‘a different way of life’ (Gitlin 2013: 8) symbolised by the mutually supportive, egalitarian, self-expressive and democratic practices involved in their everyday activities.

Thus, these forms of anti-neoliberal resistance have developed practices on the basis of the values of equality, solidarity and freedom. But to ‘persist and ... be brought into the wider community,’ they could, as Chomsky suggested with regard to Occupy, come to assume the form of ‘enterprises owned and managed by the work force and the community’ (Chomsky 2012: 74-5). A potential affinity between these movements’ values and practices and those found within WSDEs could therefore be observed. However, these movements fell short of maintaining their momentum by translating their ideals and values into concrete economic practices. What appeared to be missing was a broad ‘strategic and theoretical vision’ (Gorz 1982: 412) capable of facilitating the creation of cooperative ‘start-ups’ on the basis of the counter-cultural ideals of the time.

In short, then, the operationalisation of shared ownership and self-government independently of a strategic vision falls short of creating the full range of necessary conditions for the development of WSDEs into a pathway towards a post-capitalist society marked by generalisation of shared ownership and self-government. ‘Wider social movements,’ here, would not only ‘help maintain the alternative values and culture of these organizations’ (Cornforth 1995: 493), but also give WSDEs fresh opportunities for their expansion and positioning as counter-cultural outlets. Such developments do nevertheless rest on the presence of, as Weber (2009) himself would put it, a pre-existing ‘spirit’ giving legitimacy, meaning and momentum to new conducts and practices. The task of realising WSDEs’ transformative potential could therefore lie in identifying such a ‘spirit’ and formulating a strategic vision capable of aligning the various counter-cultural values embodied in this spirit with concrete and lasting counter-cultural economic practices.

Towards a ‘strategic theoretical vision’ for WSDEs

As demonstrated above, despite offering alternatives to conventional economic practices, cooperatives in advanced capitalist economies are currently limited in their capacity to offer a ‘system of beliefs and postulates’ that ‘engage[s] in a significant polemic with the dominant [capitalist] culture.’ This is at least partly explained by the development of their operations independently of a broad counter-cultural vision with which to form a ‘relationship of reciprocal attraction and influence, mutual selection, active convergence and mutual reinforcement’ (Löwy 2004). It is therefore contended here that, in order to realise the

emancipatory and large-scale transformative potential of practices found in worker-owned and -managed enterprises, '[a]n effective synthesis between the self-management impulse and a political strategy has [...] to be worked out' (Wallis, 2011: 24). Inspired by Victor Wallis' (2011) diagnosis of a range of short-lived forms of revolutionary workers' control, such a synthesis is regarded as an essential step for the generalisation of the practice *and* spirit of self-government.

But what form could such a synthesis between a counter-cultural vision and pre-existing forms of self-government assume today? Before providing an answer, it must be noted that while a counter-culture opposes current values and interests with alternative ones, it also acts as a 'continuation of the [contemporary] liberal-capitalist culture' (Bauman 1976: 42). By both rejecting pre-existing values and interests and capitalising on some pre-existing developmental tendencies, the vision in question is both real and utopian, immanent and transcendent. In what follows, an analysis of the various tendencies and counter-cultural vision making up the proposed synthesis will be provided.

Unveiling pre-existing counter-cultural forces

A first set of counter-cultural forces can be found within post-Fordist regime of production. The bureaucratic and repressive Fordist system of production, has been succeeded by a system of production thought to be capable of 'accommodat[ing] ceaseless change' (Piore and Sabel 1984: 17). At the core of this flexible regime, otherwise known as post-Fordism, lies the need to liberate the economy from the rigidities of centralised production methods thought to interfere with capital accumulation. Ideologically, post-Fordism opposes Fordism with a distinctive emphasis on team work and decentralisation strategies, at the core of which lie the values of freedom, cooperation and 'empowerment from below' (Kantola 2009). A more horizontal and flexible managerial strategy, it is thought, would liberate not only the economy, but also individuals *qua* producers and consumers. Since production is expected to accommodate change, i.e. consumer needs, through the introduction of 'flatter, leaner, more decentralized and more flexible forms of organization' (Jessop, 2000: 100), it is also expected to give workers scope to perform "multiple tasks" and, more generally, lead to the 'elimination of job demarcation' (Harvey, 1990: 177), thereby potentially achieving what Marx himself wished, namely making it 'possible for me to do one thing today and another tomorrow' (2000: 185).

In principle, then, post-Fordism offers workers opportunities for 'enhanced work [and consumer] satisfaction' (Kumar 1995: 47). In practice, however, this system of production

has led to the emergence of ‘new structures of power and control, rather than created the conditions which set us free’ (Sennett 1988: 47). The increased exposure of workplaces to market forces has come to exert intense pressures on businesses now forced to rely on a vast quantity of casual workers, known as the ‘periphery’ (Kumar 1995), subjected to highly precarious working conditions. Only a minority of them, the ‘core,’ have been in a position to reap the benefits of post-Fordist methods of production, and enjoy relatively autonomous, cooperative, stable, highly paid, highly skilled and generally rewarding forms of employment (Kumar 1995). With the value of freedom operationalised as flexibility amid increased economic competition and a return to sharp socio-economic inequalities, post-Fordism’s record leaves a lot to be desired. As Bauman put it, the post-Fordist operationalisation of flexibility creates ‘free agents’ who ‘are stripped of the confidence without which freedom can hardly be exercised’ (Bauman 2005, 36). Thus, the ‘unprecedented freedom’ this regime of production ‘offers its members has arrived [...] together with unprecedented impotence’ (Bauman, 2000: 23). By opening up a gap between what it promises and what it effectively delivers, post-Fordism has paved the way for counter-cultural forces postulating an alternative form of accommodation of ceaseless change, namely one capable of operationalising flexibility and freedom alongside equality and economic security.

New possibilities have also opened up through developments within the digital economy. Of particular interest here are some recent studies revealing the increased potential for the realisation of a communal economy. Take, for example, the practice of ‘online peer mutualism’ (Benkler 2013) referring to the free distribution of goods such as Free and Open Source Software (FOSS) programmes. The search engine Firefox, the content management software Wordpress, and Wikipedia are highly successful examples of such programmes, operating on the basis of a networked and ‘voluntaristic cooperation that does not depend on exclusive proprietary control or command relations as among the co-operators’ (Benkler 2013: 214) and aims to provide a free and useful service, echoing the ‘spirit of free communal service’ of the modern guilds (Cole 1980: 45), whose centrality for a strategic vision will be detailed below. The interest of the ‘producer’ is here construed as one and the same as the interest of the community at large. Both place a strong emphasis on decentralised and collaborative online participation, with activities aiming to ‘empower and engage people around the world to collect and develop educational content’ (<http://wikimediafoundation.org/>) in the case of Wikipedia and to ‘serve[...] the public good’ (<https://www.mozilla.org/>) in such a way as to make the internet a ‘public resource that [...] remain[s] open and accessible’ (<https://www.mozilla.org/>) in the case of Mozilla Firefox. As a

radical alternative to conventional economic models, then, they provide a space for the liberation of service users and providers from the proprietary, alienating, exploitative, inequalitarian and oppressive logic of the marketplace. As such, ‘online peer mutualism’ in the form discussed here is a ‘critical social practice’ that has emerged in opposition and as an alternative to neoliberal capitalist relations by ‘counteracting some of its social pathologies’ (Barron 2013: 597). It offers a seemingly viable basis for the actualisation of principles associated with industrial democracy and shared ownership based on the spirit of service.

However, even these practices have their limitations. The Mozilla community, for example, sustains itself, i.e. is capable of paying its core employees, by accumulating revenues drawn from for-profit organisations such as Google, Yahoo etc. (Bauwers and Kostakis 2014),³ which thrive on the exploitation of their workers (Fuchs 2013). Consequently, online peer mutualism continues to depend on conventional capitalist organisations. Furthermore, the task of applying the operational principles entailed by online peer mutualism to the production of material goods may prove highly challenging. The production of immaterial goods does indeed benefit from the unique advantage of involving products, e.g. the Mozilla Firefox search engine, that, in virtue of their requiring no (or very few) other components than knowledge for their replication, ‘can be infinitely reproduced at low costs and distributed at high speed’ (Fuchs 2011: 107-8) through regular online collaboration aimed at updating the programme. Material production, on the other hand, tends to involve recurrent investments in, for example, raw materials and labour power directly exposed to the vicissitudes of the market forces. The necessity to factor these types of costs in the delivery of a service poses innumerable challenges to producers for the task of bypassing competitive, proprietary and exploitative relations and bringing the spirit of ‘free communal service’ to life. One may therefore need to anticipate alternative avenues for the operationalisation of such a spirit in the production and consumption of such goods (more on this below), where WSDEs themselves could be expected to play a central role.

In sum, an analysis of some achievements and limitations of present-day conventional economic practices such as those associated with the process of financialisation or post-Fordism, reveals a current ideological bias for the value of freedom at the expense of solidarity and equality. Could a paternalist or state socialism, with the values of equality and

³ Wikipedia depends largely on donations by users for its revenues. As for Firefox, such revenues are drawn from ‘the search functionality in the Firefox browser through a number of major partners including Google, Bing, Yahoo...’ (<https://www.mozilla.org/>).

solidarity it embodies, re-emerge as the desirable counter-culture to contemporary capitalism? Probably not. This particular strategic and theoretical vision emerged under a form of capitalism whose hegemony had not yet been completed (Bauman 1976) and whose actually-existing form had not yet revealed its internal inadequacies. Today, however, socialism has to confront its actually-existing past and a value – freedom – firmly entrenched within contemporary economic and political discourses, while highlighting the limitations of present-day practices. In other words, socialism has to offer a vision postulating the combined operationalisation of the three values, where economic democratisation assumes an egalitarian and cooperative form and ceaseless change is accommodated under egalitarian and solidaristic conditions. In such a socialist vision, economic organisations based on shared ownership and self-government, namely WSDEs, could be expected to play a timely role. Success in performing such a function, however, will depend on their capacity to overcome the various obstacles to the combined operationalisation of the three socialist values, namely freedom, equality and solidarity (Horvat 1980) – a task for which G.D.H. Cole’s spirit of ‘free communal service’ embodied in online economic practices could serve as a significant source of developmental inspiration. In the following discussion, we shall explore strategies for the operationalisation of this spirit within WSDEs, and across the economic sphere.

From counter-culture to strategic vision

In a recently published article Bauwens and Kostakis (2014) explore possible avenues for the realisation of some the progressive goals set out in the previous section. Here, they set out a plan for the development of an ‘open cooperativism’ marking the convergence of commons-oriented production found in the digital economy (characterised by ‘abundance’) and production practices found in the cooperative movement (characterised by ‘scarcity’). Driving such a model is the need to eliminate the reliance of both commons-based and cooperative practices on conventional for-profit organisations for their self-sustenance. Underlying their strategy is a ‘reciprocal economy’ within which goods (both material and immaterial) would be made freely available ‘to all that contribute, while charging a license fee for the for-profit companies who would like to use it without contributing’. The open cooperativism proposed here, then, is essentially a strategic vision for the development of practices outside the parameters of the capitalist market and ‘oriented towards the creation of the common good’ (Bauwens and Kostakis 2014: 358).

Despite recognising the different properties between material and immaterial forms of production and attempting to address them in their vision, little is said about the relationship

between supply and demand, central to the production of (scarce) material goods. While they argue that, to ‘realize their goals,’ open cooperativists should ‘adopt multi-stakeholders forms of governance which would include workers, users-consumers, investors and the concerned communities’ (358), one is left in the dark as to the specific nature of these forms of governance and the position of the consumer within the ‘creation of the common good.’ In virtue of the scarce nature of goods within material production, this sphere requires additional safeguards against exploitation, waste and the competitive pursuit of self-interest than its immaterial counterpart. For this reason, a return to the work of libertarian socialist G.D.H. Cole and, more specifically, his own proposals for the re-organisation of economic life, is in order.

Cole’s (1944; 1980) work draws heavily on what he considered to be failures by co-operatives to bring socialist values to life. Clearly aware of the historical tensions between consumer and producer cooperatives and the co-option of workplace democracies by capitalist culture, Cole sought to explore organisational forms likely to develop the spirit of free communal service found in the medieval guilds. Such a spirit, he claimed, would be elicited by institutionalising a dialogue aimed at co-ordinating the activities of producers and consumers of goods and services, democratically organised into associations. Whereas the principle of reciprocity advocated by Bauwens and Kostakis (2014) mainly addressed conditions whereby the user is also a producer, with dialogue individuals *qua* producers and consumers would be able to align their own interest directly with the common good. Here, representatives of producer and consumer associations would meet on an *ad hoc* basis to make sure the goods provided by the former directly (and not indirectly, as is the case with a production of goods driven by the profit motive) match the needs of the latter. As such, no good would be produced unless it is collaboratively defined as useful by representatives on both sides of the exchange relation or, put differently, unless the needs of both producers and consumers are reciprocally met.

Despite the cooperative movement’s perennial concern for the co-ordination of co-operatives’ activities through, for example, the principle of mutual aid, no serious attempt to introduce a dialogue between production and consumption or provide safeguards against the encroachment of the profit motive have been visible before or after the emergence of the short-lived Guild Socialist movement. What was, and continues to be missing, is a form of co-ordination capable of organising the activities of cooperatives along non-capitalist lines, i.e. outside the parameters of the capitalist market. What dialogical co-ordination offers is an operational principle that aims to ‘assure self-government to the producers while

safeguarding the interests of the consuming public,' by protecting workplace democracies against the infiltration of bourgeois values (Cole 1944: 284-5).

This would be achieved in various ways. Pay differentials between different members of the associations would be kept at a minimum or even be standardised, as is already the case in several pre-existing WSDEs such as Suma (UK). In contrast with conventional forms of economic democratisation, then, self-government would unfold alongside socio-economic equality. Also, instead of measuring their success in accordance with a rate of profit, the performance of WSDEs would here be measured in terms of their capacity to provide a 'free communal service' directly useful to the consumer and aligned with the producers' own interest. Prices, pay, the nature and pace of the labour process, the quantity and quality of the goods produced and services provided, would no longer be primarily determined by forces independent of workers' and consumers' control (either in the form of market forces or state planning). Instead, both sides would actively communicate their needs and desires to one another, thereby opening up a space for a negotiated and empowering system of satisfaction of needs.⁴ Dialogue, then, would accommodate the fluctuating demands of the consumers while giving producers sufficient collective control over the process of satisfaction of needs to safeguard their labour practices against the profit motive and competitive pursuit of self-interest, and to engage in a personally rewarding and cooperative form. Consequently, it would also facilitate an accommodation to ceaseless change where the 'motives of greed and fear' (Cole 1980: 45) give way to the 'spirit of free communal service.'

The central role dialogue could play in actualising what Wright (2010) termed 'social empowerment' has also been emphasised recently. Cumbers and McMaster (2010), for example, sought to reveal both its capacity to enhance individual dignity and its strong affinity with the socialist vision. Drawing on pre-existing tendencies such as the emergence of forms of collaborative consumption, e.g. the Fair Trade Labelling Organisation, alongside

⁴ For a more detailed discussion of these processes, see Wyatt (2011) and Masquelier (2014)

a multitude of producer cooperatives, Wyatt, who was significantly inspired by Cole's work, presented the producer-consumer dialogue as a timely and 'correct mode of coordination' for a 'New Economic Democracy' (2011: 29). The spirit of this dialogue is also echoed in the work of Michael Albert and Robin Hahnel (1991a; 1991b), whose participatory economics or 'Parecon' calls for the creation of worker and consumer councils working collaboratively in a generalised system of needs satisfaction.

It would nevertheless be fallacious to suggest that an immediate implementation of these principles would totally immunise cooperatives against the logic of the capitalist market. Even when the situation is such that they can afford the luxury of developing a counter-definition and assert their independence from the marketplace, cooperatives are not immune to a resurgence of new structural challenges (Bate and Carter 1986). To be sure, the implementation of dialogical co-ordination would first need to be tested in highly localised experiments, whose activities will inevitably continue to depend in a way or another on capitalist market relations. Take, for example, a product like milk. By organising themselves into free and democratic associations in dialogue with one another, producers and consumers of milk would be given the chance to participate actively in the process of satisfaction of this need and exert control over the forces determining its price, production process etc. Milk would here be supplied in a quantity and quality directly aligned with the needs of the producers and consumers who would be given a platform for direct negotiation with each other. However, they would not, at least at first, be in a position to exert control over the full range of factors involved in the process of satisfaction of needs. For example, milk consumers would, in such early stages, continue to draw their means of subsistence, e.g. wages, from work in a conventional enterprise and would consume other goods produced by such organisations. Milk producers would be utilizing resources, e.g. plastic bottles, that are still being produced within the capitalist marketplace. However, giving local milk producers the chance to manage their affairs democratically, consolidating ties with other producer cooperatives supplying some of the vital resources for milk production, while directly negotiating with organised consumer associations, will significantly alleviate the pressure exerted by the logic of the market.

Recent technological achievements such as the internet could play a key role in facilitating dialogue, especially given its formidable power to share information between different individuals and groups across distant locations. What is more, a reciprocal economy between producers themselves, e.g. between farmer and producer of plastic bottles, in the form anticipated by Bauwens and Kostakis (2014), could here also develop and further

facilitate the expansion of the aforementioned economy by making goods freely available to producers who are willing to reciprocate. If successfully operationalised and generalised, these small experiments could eventually lead to an increased and sustained independence of shared ownership and economic democracy from market relations.

The adoption of dialogical co-ordination by members of WSDEs may also rest on the introduction of additional measures facilitating its development, such as a Universal Basic Income (UBI), the logic of which can be traced back to the guild socialist vision. Indeed, for guild socialists, the re-organisation of life around the spirit of free communal service could only be expected to gain ground in a dialogically coordinated cooperative model if, instead of redistributed profits, each member received a 'standard pay, determined by arrangement between the guilds and the State' (Cole 1944: 284). The benefit of adopting such a measure, it was thought, consists in its capacity to alter the source of income in such a way as to bypass the motive of 'greed and fear,' emanating from an immediate requirement to survive in a hostile environment, and alleviate the pressures exerted by the competitive marketplace (Wright 2010). The UBI could therefore play a key strategic role in stimulating the development of cooperative activities outside the confines of the capitalist market.

All in all, then, the transformative function of cooperatives and, particularly WSDEs, rests on a redefinition of their operations away from the notion of an economically rewarding competitive pursuit of self-interest, and towards the institutionalisation of the 'spirit free communal service' already at work within non-conventional online economic practices. Localised experiments, stimulated by measures like the UBI, and aimed at anchoring dialogue in the allocation of resources could help WSDEs gain greater confidence to develop, as Bate and Carter (1986) put it, a 'radical consciousness' or 'counter-definition' opposing the competitive pursuit of self-interest, 'repudiating the profit basis and all forms of profit-sharing' (Cole 1944: 284) and postulating the spirit of free communal service as both a desirable and possible outcome. It is worth reminding here that, like the principles of shared ownership and economic democracy, the principles of profit and competition were once in the margins of the economy. Their development into dominant economic principles was facilitated, and indeed rested upon, their synthesis with a liberal economic vision capable of legitimating the various economic, cultural and political practices favourable for their large-scale expansion. In fact, as Cole himself put it, 'important social changes are usually inaugurated in the parts and not in the whole of Society, and often nearer to its circumference than to its centre' (Cole, 1980:206). The synthesis between pre-existing practices and the spirit of free communal service proposed here, could therefore be regarded as a first and

necessary step towards the cultivation of operations and outlooks capable of forming a sustained opposition to contemporary capitalism. Whether such an opposition will eventually lead to a ‘ruptural’ (Wright, 2010), i.e. revolutionary, transformation or one achieved more gradually, such as through democratic means, is difficult to assess at present. The long-term success of any such transformations nevertheless depends on the perceived legitimacy of practices associated with them (Rebòn et al., 2016) – a legitimacy which the proposed synthesis will be instrumental in cultivating.

Conclusion

Ostensibly progressive, but effectively limited in their capacity to operate along non-capitalist lines, pre-existing WSDEs do not appear set to fulfil the great expectations early leaders of the cooperative movement and contemporary analysts in advanced capitalist economies hold towards them. In virtue of their capacity to accommodate workers’ interests in clearly more effective ways than conventional enterprises, however, WSDEs do offer an invaluable space for the potential alignment of non-capitalist operations (practice) with a radical political culture (theory). One does therefore have a choice: either accept the fate of WSDEs as unassertive accomplices of the established economic and political forces, or continue to explore possible avenues for their redefinition into counter-cultural outlets.

Here, I sought to show that despite significant operational challenges, the principles of self-government and shared ownership lying at the operational core of WSDEs can continue to provide an invaluable source of social empowerment and make their contribution to a socialist reality. However, unlike Marxist approaches, the vision proposed here focuses not only on the production side of the satisfaction of needs, but also on the consumption side, with dialogue mediated by the spirit of free communal service. Envisioning such a development does not, as Cole noted, consist in ‘imagining a Utopia in the clouds’. Instead, it entails ‘giving form and direction to certain quite definite tendencies which are now at work in Society, and to be anticipating the most natural developments of already existing institutions and social forces’ (Cole 1980: 11), such as those found currently found in the margins of the economy and social movements. It follows that, ‘institutions and social forces’ such the Alter-globalisation and Occupy movements, post-Fordism and forms of ‘online peer-mutualism’ could be regarded as such ‘definite tendencies.’ For, each in its own way, has contributed to turning the spirit of free communal service into a core counter-cultural force of contemporary capitalism.

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