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January 12, 2009

Retrieved on 29th January 2021 from anarchism.pageabode.com

A continuation of the discussion raised by the **Bailouts or co-operatives?** article, which was published in **Freedom** alongside another article arguing against anarchists raising the demand for co-operatives.

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I'm not sure whether Joseph Kay ("**Co-ops or conflicts?**", **Freedom** vol. 69, No. 23-4) actually read my article on co-operatives before writing his piece. I would guess not, as it has the feel of a standard libertarian communist response against co-operatives within capitalism. If so, that is a shame as I may need to repeat myself somewhat as the analysis I presented was not really addressed.

I had hoped that my article ("**Bailouts or co-operatives?**") had made clear that suggesting co-operatives was a short-term solution for those workers facing closing workplaces or whose bosses are seeking bailouts. I did not address the issue of (so-called) "*self-managed exploitation*" simply because that is a different question, relating to the issue of co-operatives within capitalism and the future libertarian society. As my original article addressed neither issue. Instead it was a call for action, plus an explanation why co-operatives were a valid **socialist** alternative to bail-outs and nationalisation within the current crisis.

Firstly, I do need to point out a few contradictions in his argument. He proclaims that we are "*in no position to demand anything. As a tiny minority in the class, our 'calls' for this or that are impotent cries.*" Yet, without irony, he raises various "*Communist demands*"

we should be making! What is it to be? Are we in no position to demand anything or can we raise demands? I assume the latter, which means that his real objection to demands to create co-operatives is that he opposes that specific demand.

Key suggests that “*Communist demands are concrete, material demands reflecting our needs as workers.*” Apparently avoiding unemployment does not reflect our needs as workers. Is he seriously suggesting that workers, faced with the closure of their workplaces, should simply collect their P45s and head straight to the unemployment office? That the task of anarchists is not only to **not** suggest occupations but to **oppose** them as “*petit-bourgeois*”? Or that we should be indifferent when public (our!) money is used to bailout the muppets who got us into this crisis to begin with?

Somewhat ironically, he lists some “*concrete material demands*” we should “*make*” (forgetting that we are “*in no position to demand anything*”), namely “*no to job losses, wage cuts, public service cuts and evictions.*” No evictions? Like when bosses close their workplaces and evict their workers from them? And how would we ensure no evictions? Perhaps by occupation? And how are the occupiers to resist the resulting “*wage cuts*” this would create (I doubt the bosses would pay them wages)? Perhaps by resuming production under their own control? Surely occupation of workplaces in the face of closure is but one of many “*concrete material demands*” anarchists should be raising?

And that is a key point. I never suggested that supporting co-operatives was the only tactic we could make in the current crisis. Far from it! Need I point out that deciding to turn your workplace into a co-operative involves both the “*advocacy of collective action*” and “*mass meetings*”? Need I point out that it is a form of direct action? So it is a case of co-operatives **and** conflict!

Kay argues that co-operatives are pointless unless “*backed by a class movement capable of imposing them. To call for this or that in the absence of such class power is to get ahead of ourselves; there are more pressing matters at hand.*” Yet, as I suggested, raising the

demand that any bailout be premised on turning the firm into a co-operative is a means of encouraging the formation of such a movement, a movement we can both agree is sadly lacking just now. Nor can it be considered getting ahead of ourselves to suggest possible libertarian solutions to the “*pressing matters*” of bailouts, workplace closures and unemployment!

So need I say that my suggestion for co-operatives was aimed at encouraging workers to act for themselves, to get them to find their own solutions to the problems caused by the current crisis? As such, I agree with Kay that “*our activity should be aimed at increasing the confidence, power and combativity of the wider class.*” Opposing bailouts and closures with demands for occupations and co-operatives is **part** of that, I would suggest.

Kay spends some time discussing the limitations of co-operatives. Capital, he argues, “*cannot be managed in our interests, so it is pointless to try.*” Yet, as both Proudhon and Marx made clear, co-operatives are not capitalist: “*Let us suppose the workers are themselves in possession of their respective means of production and exchange their commodities with one another. These commodities would not be products of capital.*” (Marx, **Capital**, vol. 3, p. 276)

Suggesting that workers faced with unemployment form co-operatives hardly means, to quote Kay, that “*Class struggle – and with it the potential for revolutionary change – is short-circuited.*” Does he really think that the state or capital will happily let workers expropriate their workplaces? I doubt it. I noted how Kropotkin suggested union control as an alternative to Nationalisation, I should also point out that in the 1880s Engels suggested as a reform the putting of public works and state-owned land into the hands of workers’ co-operatives rather than capitalists. (**Collected Works**, vol. 47, p. 239). So, really, were both Kropotkin and Engels advocating the ending of the working class as a “*potentially revolutionary class*” and the end of “*class antagonism*” when they suggested co-operatives as an alternative to nationalisation? I doubt it.

Kay suggests that “often raised as a sort of intermediate, ‘realistic’ demand short of revolution” but that “workers’ control under capitalism is simply self-managed exploitation” and that “establishing a co-op” would be “swapping one form of alienation for another, proletarian for petit-bourgeois.” I plead guilty to the first charge, although I stress that my suggestion was an attempt to bring a revolution closer by encouraging direct action by workers – in other words, I am not aiming for “workers’ control under capitalism” but rather workers’ control (among other tactics) as a step towards ending capitalism.

As for “self-managed exploitation”, that is just confused. “Self-managed exploitation is not just a neat turn of phrase”, Key asserts but I disagree. He is confusing the fact market forces would still exist and rule workers’ lives (and this is a serious objection) with capital/wage labour and so exploitation (in an anarchist or Marxist sense of expropriation of surplus by non-producers). He argues that “capital rules social life” vertically “through the person of the boss” and horizontally “through market forces”, yet do I really need to point out that capitalism is a mode of production, not a mode of distribution? Markets existed before capitalism and a self-employed artisan working his own tools is not exploited by a capitalist.

He argues that if we turn his workplace “into a co-op, those same market forces causing my boss to make cuts would still be there, but we would have nobody to say no to when under pressure to increase the rate of exploitation to survive in a hostile market.” Really? Is he saying that workers’ would make the same decisions as a boss would in the same circumstance? Ultimately, his argument is identical to the apologists of capitalism – bosses have no power, the market is supreme. Yet this is false – market forces may cause bosses to act in certain ways, but being a boss shapes any decisions made.

If that were not the case then why would we need unions? We would not be able to gain any reforms, for the boss would be sim-

ply passing on the demands of “market forces”! But we know better than that. The issue of “market forces” does raise the question of whether bosses practice “self-managed exploitation” when **they** make decisions they dislike (for example, not to buy that third holiday house but rather make investments in their company to keep it profitable)? Is capitalist investment “exploitation” of the capitalist? Kay’s arguments would, I think, lead us to conclude that it is – which shows its weakness.

He argues that “if the firm has resources” then we should “demand the concrete material things we want.” Yet my argument was primarily related to when firms are about to go bust. Is he really suggesting that rather than expropriate the boss, we just accept our P45s? All in all, I am surprised that a member of the **Solidarity Federation** would resist suggestions to expropriate capital, to oppose calls for workers to occupy their workplaces, to be quiet when the state bailouts or nationalises capitalist firms.

In summary, I would suggest opposing, rather than supporting, co-operatives is “not a stepping stone, but a cul-de-sac.” I feel he is confusing the notion of piecemeal reform by co-operatives with a response to redundancies I have advocated (hence his comment that “like nationalisation, workers’ control is not a demand based on our concrete material needs as a class, it is just about how capital should be managed”). Perhaps it could be argued that expropriating workplaces in a non-revolutionary situation is a bad idea, yet why is it a non-revolutionary situation? Perhaps because workers are not expropriating their workplaces?

All in all, I feel that my suggestion for co-operatives as a practical alternative for libertarians remains valid. Provided, of course, that they are seen as one form of many kinds of direct action and solidarity. Our focus should be, then, co-operatives and conflicts with both supporting each other in an attempt to first build the revolutionary workers’ movement we are sorely lacking and, ultimately, to abolish capitalism!