

# Communitizing Society With Consumer Cooperatives

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Within anarchist circles, there is a split between those who advocate markets and those who advocate forms of decentralized planning such as participatory economics or federated communes. While the work of Ludwig von Mises and Friedrich Hayek has pointed out the numerous issues with centralized state planning, much of the same criticisms can apply to decentralized planning as well. Decentralized planning attempts to avoid the knowledge problem by including participation from both producers and consumers directly in the planning process rather than relying on centralized planners to make decisions on their behalf. While worker cooperatives, unions, guilds, and other business associations give workers a chance to participate in economic planning, such a system also requires the participation of consumers in the form of consumer councils or similar such groups. However, convincing people to join such organizations and participate in the planning process from the consumer side could be a bit more difficult of an adjustment, with many wishing merely to consume without having to hold meetings about it.

Of course the common solution to this problem is a technological one: computers. In *The People's Republic of Walmart*, the authors look to the example set by many corporations, including Walmart, which utilize computers to calculate and plan their internal consumption and production. The authors seem to miss one key point however: such internal planning takes place within the context of a larger market system from which it is able to take signals from in order to better calculate and plan.

So planning may work in certain contexts and even offer some benefits such as less waste and greater internal efficiency but such planning cannot be the sole basis for an economic system or calculation issues begin to arise. Enter consumer cooperatives. Consumer cooperatives are businesses which are cooperatively owned by their consumers (i.e. food coops, credit unions, utility cooperatives, etc.). While such a model can be at odds with worker-ownership, since many consumer cooperatives have traditional capitalist hierarchical management and boss structures and no worker-ownership, some consumer cooperatives have included the workers as consumer-owners in the cooperatives they work at and others have formed hybrid worker-consumer cooperatives such as the Mondragon-affiliated Eroski chain of supermarkets and gas stations. These sorts of consumer cooperatives that include workers as owners and democratic decision makers

are just the sort of models which offer an example of how to replicate many of the aspects of participatory planning and federated communes within a market economy.

Consumer cooperatives allow for those interested to join and participate in planning meetings where consumers can express their needs, workers can express theirs, and calculations and internal planning can be done based on the results. Such a model still operates on a market however, and can still receive market signals to add into their calculations and allow them to better plan how to serve both the needs of their consumer-owners, but also any non-owners who may wish to consume their products as well, while allowing for other businesses to fill in the gaps where such planning fails. Cooperatives can even join together and form cooperative federations, which are cooperatives whose membership is comprised of smaller cooperatives which organize on a federated basis. This allows such cooperatives to coordinate and plan together in a similar manner to the anarcho-communist vision of federated communes. It does all of this while not having the impossible task of meeting the needs of an entire community, many of whom may not voluntarily participate in planning meetings and share their wants or needs openly. Instead, a consumer cooperatives only needs to meet the needs of those who voluntarily wish to participate, with some cooperatives utilizing outside market signals to calculate for the needs of any customers who are not owners.

While these cooperatives could still fail due to poor planning, the fact that they exist within a market system mean that some other business can fill the needs left unmet. Consumer cooperatives allow for us to experiment with decentralized economic planning models and lets them compete against other alternative models to see what best meets the needs of the community.

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