

# **Do workers' co-operatives help or hinder the building of a libertarian communist society?**

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**Workers' co-operatives have always been championed by sections of the left and wider labour movement – from their advocacy by 19<sup>th</sup> century Welsh social reformer and utopian socialist Robert Owens to Proudhon through to their existence in various state capitalist countries today such as Cuba. While workers' co-operatives can provide a small example of anarchist ideas based on self-management, direct democracy and mutual aid in action, we should not be blinded by their contradictions and should query their effectiveness as a strategy for real revolutionary transformation.**

Support for workers' co-operatives has always been a long standing feature of anarchism both as theory and in revolutionary practice since its emergence within the workers' movement. Anarchists have always stressed the importance of building and supporting schools of struggle and education such as modern schools, 'social centres' and workers' societies – a vibrant public sphere, a kind of counter-spectacle with its own values, ideas, organisations and practices, or, in Gramscian terms, a counter-hegemonic project challenging the dominant ideology of the ruling class. This would be seen as complementing and in tandem with building a wider revolutionary movement that aims to abolish capitalist exploitative relationships and domination.

In short co-operatives can be a 'germ of the future' and can provide a glimpse of what type of social organisations anarchists favour. As Bakunin argued, "the co-operative system... carries within it the germ of the future economic order."<sup>1</sup>

## **What are co-operatives?**

There are many different types of co-operatives – from housing co-ops to credit unions and a more business-based model such as the co-operative supermarket which has stores across Ireland. In the North the sector has over £2 million in assets and up to 350,000 members, providing employment to perhaps 4,500 people. On a global level the sector employs nearly 1 billion people while 3 billion people secure their livelihood through them.

In theory co-operatives are based on one worker, one vote. In other words those who do the work manage the workplace within which they do it (i.e. they are based on workers' self-management in some form). In addition, they are an example of working class self-help and self-activity. Instead of relying on others to provide work, co-operatives show that production can be carried on without the existence of a class of masters employing a class of order takers.

## **Numbers**

There has been a dramatic increase in the number of producer co-operatives in most Western countries in recent years. Italian co-operatives now number well over 20,000, many of them large and having many support structures as well (which aids their development by reducing their isolation and providing long term financial support lacking within the capitalist market).

The Basque country is home to the world's largest worker co-operative, the Mondragon group, which is effectively a multi-national corporation employing more than 80,000 people across 256 companies including a university and has expanded into 18 countries. The company has bounced back from the recession producing a €240 million profit last year and to become an owner worker

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<sup>1</sup> The Philosophy of Bakunin, p. 385

you have to invest €20,000. While the senior manager's pay is capped at 9 times the salary of the lowest paid worker, the fact that the world's largest co-operative model has become fully integrated within the capitalist system becoming a form of state sponsored self-managed exploitation highlights its limitations as a sustainable revolutionary alternative.

## Challenging capitalism?

As Joseph Kay a regular contributor to the popular libcom blog remarked 'Workers' co-ops are often seen as hotbeds of radical, anti-capitalist thought. Images of hippies, earnest vegetarians or executives in blue overalls could not, however, be further from reality.'

Indeed far from challenging capitalism, many workers' co-operatives are actually an important sector of modern economies on the basis of promoting a more 'ethical capitalism.' Workers' co-operatives may provide a catalyst for change and glimpse of what is possible but their gradual and reformist nature must be resisted as not only futile but an abstraction from the important battles that need to be waged in our workplaces and communities. In the case of Israel, for example, the co-operative movement formed the backbone of the early Zionist project of colonial expansionism and military occupation.

Yugoslavia under the leadership of Marshal Tito broke with Soviet style state capitalism in 1949 introducing a more 'decentralised' version of 'workers' self-management' with the state as the guarantor. Rather than providing real workers' control of production and direct democracy, Tito's reforms provided an illusion and smokescreen for his iron grip on power. This contradiction was exposed in the 1970s following neo-liberal restructuring resulting in mass unemployment, massive international debt, declining real wages, triple digit inflation and ethnic conflict becoming rife.

Like Cuba, the Venezuelan government has also appropriated and expanded the co-operative sector. Writing in the latest edition of the Spark (the magazine of ICTU Youth) Stephen Nolan points out, 'In 1998 there were 800 cooperatives ....in 2006 there were 100,000 involving 1.5 million citizens operating under either state, co-operative or mixed ownership.'

However, the reality between fact and fiction in terms of lip service to 'participatory' democracy and incompatibility between the state and genuine self-management is revealed in an article by Shawn Hattingh of the South African Zabalaza Anarchist Communist Front: 'Far from being havens that are nurturing worker self-management, state-owned enterprises in Venezuela are marked by relations of domination, oppression and exploitation. The state has even, at times, tried to undermine the ability of workers to challenge bad working conditions and poor wages. It, consequently, matters little whether the state or a capitalist owns a factory, workers still do not have power or direct democracy in the workplace. 'Co-management' and other state schemes have often become a way for the state to exploit workers even further, including pushing through aspects of lean production, casualisation and outsourcing. Such relations and practices are not marginal matters. In a society where there is a hierarchical and oppressive pattern in the relations of production, genuine socialism does not and cannot exist. Oppressive relations of production are a common denominator in all class based societies, including Venezuela.'<sup>2</sup>

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<sup>2</sup> [www.anarkismo.net](http://www.anarkismo.net)

## Workers' democracy?

Workers' co-operatives depend on wider market forces to survive and grow and cannot exist outside of capitalist social relations due to the pressures of market forces and competition. Like private enterprises, co-operatives are also subject to the same pressures such as layoffs, price rises and reduction in wages in the process reducing any resemblance of 'workers' democracy.'

In examining the question of co-operatives, it is worth noting Mikhail Bakunin (1814–1876) who argued that:

“The various forms of co-operation are incontestably one of the most equitable and rational ways of organizing the future system of production. But before it can realize its aim of emancipating the labouring masses so that they will receive the full product of their labour, the land and all forms of capital must be converted into collective property. As long as this is not accomplished, the cooperatives will be overwhelmed by the all-powerful competition of monopoly capital and vast landed property; ... and even in the unlikely event that a small group of cooperatives should somehow surmount the competition, their success would only beget a new class of prosperous co-operators in the midst of a poverty-stricken mass of proletarians”.

Using his observation and study of the co-operative movement in post-apartheid South Africa, Oliver Nathan, from the Zabalaza Anarchist Communist Front pointed out the dilemma between the ideals of the co-operative and the market realities of the day, 'Most co-operatives then have faced high levels of degeneration from their initial goals, those of market success-paying their membership a living wage – and internal democracy. Worker co-operatives in the post-apartheid dispensation should be understood to be survivalist in that they are often only able to pay their members a marginal wage at irregular intervals, due to their often marginal presence in the market. Members often have to find alternative sources of employment or rely on family and community networks to support them.'<sup>3</sup>

## The role of social centres

Although mutually exclusive, workers' co-operatives and social centres are often part of the same political furniture sharing the same space and project. For example Na Criosbhealí café in Belfast takes its inspiration from the popular Youth Houses in the Basque country and grew out of Belfast youth assembly.

Aiming 'to politicise, educate, and self-empower the people of Belfast and Ireland so that they are not held hostage by the arms of capitalism and right wing thought. The Co-Op organises events which try to enhance culture, political thought, awareness and to raise money for certain causes or other events. We see the space as social and open to all comrades who would like to take advantage of it. We have had different political groups, Unions and other organisations organise events and fundraisers. The space has held film showings, AGM's and language classes, we aim to improve these events and also to organise a library and other educational aspects with a future view of having a functioning outreach section of the Co-Operative.'<sup>4</sup>

While Na Criosbhealí provides a positive space to organise and agitate, it remains unclear whether it can replicate the success and influence of the Basque and wider Iberian model. Espe-

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<sup>3</sup> libcom.org

<sup>4</sup> www.wsm.ie

cially given the contrast in political and social circumstances in relation to the lack of a social movement here and the confusion of ‘progressive left-wing politics’ with everything from Leninism to Stalinism.

While it is essential to retain an internationalist perspective, the fetishment for every ‘anti-imperialist’ struggle under the sun should not be at the expense of building links and solidarity with workers and communities here across the sectarian divide.

On the other hand the Just Books Collective have more of an established presence in Belfast stretching back to the opening of the original shop in Winetavern Street (located deliberately between the bottom of the Falls and Shankill), by the Belfast Anarchist Collective, in June 1978 without any state subsidy. While the shop closed in 1994 it still continues to provide stalls at events and in the future aims to establish a working class resource and solidarity centre including a centre for community and labour education. Now a worker co-operative run on a self-managed basis it is currently piloting a labour and education project – Just Learning – in communities across Belfast believing it is important to promote alternatives based on mutual aid, class politics, self-help and co-operation.

The social centre concept has taken root most successfully in Italy, beginning in the 1970s. Large factories and even abandoned military barracks have been “appropriated” for use as social centres. There are today dozens of social centres in Italy and worryingly several fascist social centres have emerged such as Casa Pound.

Social centres have taken different political and cultural dimensions including both squatted and rented, and are located in most European cities and all corners of the globe. I have visited social centres in Barcelona, Israel, New Zealand, Australia, Greece, Basque Country to name a few providing me with a degree of knowledge and experience.

In Ireland, apart from the Warzone centre and Na Criosbhealí in Belfast there is the Seomra Spraoi autonomous social space in Dublin which hosts WSM offices and Solidarity Books in Cork.

## **Basque Country**

After the death of Franco in the late 1970s, there was an explosion in social radicalism and youth rebellion in the Basque country. Squats, free radios and youth assemblies resulted in the formation of Youth Houses (Gaztetxeak) and provided an expression of this struggle for change through building a Basque political culture combining an anti-authoritarian radicalism with values of self-organisation and self-management. According to Eoin O’Broin who has written extensively on Basque youth movements, ‘Despite great energy on the part of the state to crush this movement, twenty years on it survives, stronger and more sophisticated than ever.’<sup>5</sup>

The emergence of social centres in the late 1970s can be linked to the political/social circumstances of the era and the potential for revolutionary change. Social centres can be rooted to an even earlier period of workers’ and union clubs which spread across Europe at the turn of the 20<sup>th</sup> century providing a pivotal role and function within the emerging militant workers’ movement.

The formation of ateneu (athenaeum) in Barcelona during this period added to the growing grassroots social infrastructure, comprising the influential anarchist union of the CNT (National Federation of Labour), newspapers, cultural associations and social clubs moulding a working class culture built on mutual aid and direct action in just one example of this process. These

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<sup>5</sup> Matxinada: Basque Nationalism & Radical Basque Youth Movements

popular cultural and social centres increased in number to 75 by 1914 and provided a genuine need for workers in their locality in terms of social agitation. Each ateneu offered a range of services and leisure including talks, library and education; providing tuition in writing and grammar schools, conveying a culture of action and mobilisation rather than reliance on local authorities.

## **Conclusion**

To some extent today's social centres mark a departure from this radical labour tradition in terms of their composition, locality and outlook. These new social centres often come across as insular 'activist ghettos', divorced from the concrete needs and experiences of the class, becoming divorced from the essence of social centres which should be about providing an open and accessible space and a forum for education and agitation.

While Ireland is yet to develop the same dynamic and level of a co-operative movement as their counterparts in the rest of the world, it is important that we reflect and analyse this avenue before we embark along this path. Workers' co-operatives do play a useful function in highlighting the possibility of workers' co-operation without bosses, providing a forum for debate and a temporary relief from unemployment but this does not mean we should be blind to their ultimate futility in challenging the capitalist system. The building of a workers' co-operative movement cannot be a substitute for a revolutionary strategy based on collective working class action and the ultimate expropriation of the power and wealth of the capitalist class.

Where we realise our own class power, we can finally take control of our lives, our communities and workplaces free from exploitation, alienation and oppression, based on the principles of libertarian communism. We cannot self-manage capitalism in our own interests as it is automatically weighted against workers. The only way we can really live without exploitation and bosses is not by internalising them but by abolishing capitalism and its protector the state. In the North and across Ireland this means working within the workers' movement and community struggles, building an infrastructure of social centres, cultural associations and propaganda outlets arming ourselves with the rich traditions of class struggle anarchism; with a revolutionary class struggle libertarian movement that will bury the politics of the past and build the politics of the living.

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