

**Session 5. Agenda, 10/2/03. Sociology 929, *Envisioning Real Utopias.*
Workers Cooperatives**

1. **Interest heterogeneity and the Costs of workers control.** (Patrizia, Elizabeth, Richard)
 - Why, precisely, does interest heterogeneity make internal firm democracy costly, perhaps even prohibitively costly? Are there institutional devices that can significantly reduce such costs? (Patrizia)
 - Why is the problem of interest heterogeneity more of a problem in a large worker coop than in territorial politics? (Elizabeth)
 - Perhaps there would be ways of encouraging the homogeneity of workers in a co-op? (Elizabeth) Perhaps, as the pragmatists argue, interests should be viewed as more deeply shaped by the endogenous processes within the coop – interest formation through deliberation and problem-solving? (Cesar)
 - Has Hansmann really shown this, or is this all post-hoc reasoning? (Richard)
2. **Democratic rights.** Perhaps democratic control by workers should be seen as a fundamental *right* of workers and not a matter of comparative productivity or efficiency of alternative ownership relations? (Zeynep)
3. **Some technical questions about Penceval's analysis** (Eric):
 - Why does he think the shares in the plywood coops are undervalued? And how is this linked to the risk-aversion issue?
 - Why is the level of production in a coop less responsive to price signals (in the extreme case actually reducing output as prices rise)?
4. **The cultural and institutional context of coops.**
 - *Culture.* To what extent might a culture with communal traditions facilitate democratic/collective decision-making within coops? Would a more communal tradition help overcome the high decision-making costs of larger firms with heterogeneous interests? (Zeynep)
 - *Institutional supports.* To what extent does the institutional environment of co-ops better explain their robustness than the internal organizational dilemmas? Things like co-operative banks, for example, can make a tremendous difference. (Richard)
5. **Costs of Monitoring vs costs of decisionmaking.** Bowles & Gintis argue that co-ops increase efficiency by reducing monitoring costs; Hansmann argues that under many conditions, the costs of democratic decisionmaking outweigh this. How do we reconcile these views? (Jay)
6. **Codetermination.** Perhaps a hybrid solution between capitalist ownership and workers ownership would be better -- co-determination might be a better general solution to the problem of democratic participation in governance than either full worker democracy or worker ownership. (Stuart)
7. **Mondragon.** What does this case show us about the feasibility of large-scale cooperatives? How attenuated is the democratic governance by workers? (Chang) Does the democratic form in Mondragon really constitute a move away from “true ownership” as Hansmann suggests, or is he stipulating an arbitrary criterion for this? (Cesar)
8. **Professional Partnerships & workers coops.** Are these really similar phenomena as Hansmann suggests, or rather different because of power relations? (Adam) Perhaps the success is due to associational support by professional bodies? (Richard)
9. **Self-selection into coops: the “co-op type”.** Do coops attract participants on the grounds of things like risk-aversion? Should the ideal be individual choice of workplace form, or are there things valuable about coops even for people who might not chose them? (Adam)
10. **Planning.** If socialism is about the social planning of the use of surplus, how can workers coops be linked to a broader socialist agenda in which communities democratically control the surplus? (Matias)
11. **Corporate shareholders.** Hansmann insists that corporate governance by shareholders is facilitated by the strong homogeneity of interests of share-owners – they are all profit-maximizers. What about the shareholder revolt? What about shareholders with human rights and green interests? (Richard)