Laura Hanson Schlachter
Department of Sociology, UW-Madison
April 23, 2015

**Reflections on Barcelona Pathways to a Cooperative Market Economy Workshop, March 2015**

The Barcelona workshop was a fruitful point of departure for thinking about the conceptual framework of a future *Real Utopias* volume on pathways to a cooperative market economy. I'm very grateful to have had the opportunity to be a part of it. A special thanks to Erik and our hosts from CREA for making that possible.

I've attempted to engage the memos from Erik and Rodolfo in my own reflections, which are organized around the following substantive and practical issues: pathways, destinations, scope, and group process.

<div align="center">

**Pathways**

</div>

<u>Definition</u>

I think it would be helpful to clarify exactly what we mean by a "pathway" because this concept will likely be central to the organization of the volume. Erik has described a pathway as the process whereby worker cooperatives are "incubated, developed, and sustained." This provisional definition raises two questions for me.

First, does "incubated, developed, sustained" adequately capture the process what we are interested in? Are these distinct phases or subtypes of a broader pathway-as-process or do they rest on some sort of continuum? Are these phases or subtypes inclusive? Are they mutually exclusive? For instance, most cooperative developers I have worked with consider incubation to be a subtype of development that entails much more direct intervention by an external party. Development might look like a group of workers starting a cooperative together or an NGO providing technical assistance to them. In contrast, incubation might look like an NGO starting a cooperative and then recruiting worker-owners from the community.

Second, if we think of a pathway as a process like contagion or diffusion, does it necessarily lead to a particular destination? In my mind, the process whereby worker cooperatives are "incubated, developed, and sustained" does not inevitably lead to a cooperative market economy. Arguably cooperatives creating cooperatives, factory takeovers by workers, municipal or union incubation, and educational/training initiatives could just as easily be pathways to stand-alone worker cooperatives (or failure).

For example, in my own presentation I emphasized ways that unions have the potential to facilitate the worker cooperative development process because that seemed most in keeping with the aspirations of the workshop. Yet it is not obvious *a priori* that directly engaging unions in incubation and conversion efforts necessarily represents a pathway to a cooperative market economy. I've found evidence that union participation seems to both facilitate (i.e. unions provide direct and in-kind financing and other resources) and impede the incubation of worker

cooperatives (i.e. collective bargaining introduces antagonism) in my empirical case studies of the Cincinnati Union Co-op Initiative and Interfaith Business Builders. The same sort of problem arises when it comes to municipal incubation, marginalized populations, and worker takeovers. We discussed several ways that municipalities and NGOs could inhibit worker cooperative development efforts, for instance by attaching political exigencies to an incubation initiative or undermining cooperative autonomy. Similarly, I'm familiar with plenty of cases in the U.S. and Rwanda where existing worker cooperatives attempted to replicate their model in an oppressed poor community and failed. Rodolfo indicated that some *recuperadas* have deep network ties whereas others remain relatively isolated.

<u>Typology</u>

I think a major contribution of this volume could be specifying as best as we can exactly what differentiates a pathway to a cooperative market economy from a pathway to a stand-alone worker cooperative. This seems to be less about the process itself than the contingencies in that process. Just as scholars might ask how and why and when an idea diffuses broadly vs. remains limited to a particular enclave of people, we could try to map out the conditions under which incubation/development/conversion leads to different destinations.

In that sense I would propose that there are really only two types of pathways: startups and conversions.

1. Developing/incubating new worker cooperatives (by workers, existing co-ops, municipalities, NGOs, experts/universities, unions)
2. Converting existing firms into worker cooperatives (through worker seizure, succession planning, ESOP transition, takeover by existing cooperative, spinning off new cooperatives from existing cooperatives)

Within each of these we could map out any number of types of contingencies such as the macroeconomic context, the players involved, the state, embeddedness in civil society, etc. Two dimensions that came to the fore in the workshop presentations were *who* leads the development/conversion effort (workers vs. external entities) and the extent to which the development/conversion effort *link up with existing associational networks* (e.g. Mondragon, unions, municipalities).

**Destinations**

<u>Definition</u>

My sense at the workshop was that we all share a commitment to the framework of the *real utopias* project and believe that worker cooperatives indeed represent a desirable alternative to capitalist employment. I think it would be helpful to revisit Erik's definition of a cooperative market economy to assess if there is consensus there too. If so, we should develop some sort of criteria to distinguish between the kinds of cases that we consider "seeds for growing alternatives" and "eroding capitalism" (in Erik's words) vs. cases of "successful" worker

cooperatives.  It seems to me that scale, profitability, resilience, competitiveness, etc. are descriptors of but not necessarily synonymous with a cooperative market economy because a stand-alone worker cooperative can meet the former criteria but not the latter.

To me, the essence of a cooperative market economy has to do with interdependent networks of worker cooperatives and the volume should feature cases in which conditions seem ripe for these types of networks to form even if the cooperatives per se are still nascent.  For instance, in my opinion the municipal initiatives are interesting because of the potential to bring worker cooperatives into direct association with local or regional state institutions.  Union co-ops are interesting because of their potential to tap into existing associational networks of the U.S. labor movement.  The case Teresa and Ana presented is interesting because it links up the cooperative with Mondragon and a network of NGOs and universities.  The Zanon *recuperada* is interesting because Rodolfo emphasized that community ties help sustain the legitimacy of the cooperative.  Borrowing a phrase from Matt Desmond, I would argue that a cooperative market economy is not a thing – it's a relation (2014, 568).

Hybridity

Focusing on the potential for worker cooperatives to build interdependent networks also means that hybrid forms like the "mixed cooperative" Ramon presented could be a crucial part of the story.  I'm not quite sure whether we should think of them as stable or transitional but this question makes me think of the relational turn in the sociology of organizations.  Scott and Davis titled their latest textbook *Organizations and Organizing: Rational, Natural, and Open Systems Perspectives* (2007) in part to recognize the recent move away from seeing organizations as static entities or structures and toward open systems perspectives (386).  Of course, this kind of relational approach raises all kinds of new boundary specification issues.  I also think we should explore what it might look like to consider producing for needs vs. the market as another axis of hybridity.

**Scope**

Place and time

Erik's description of the workshop begins by zeroing in on the puzzle of the relative marginality of worker cooperatives in the developed capitalist world.  My assumption is that this includes cases from the global south such as Argentina and South Africa, and I heard several people express the idea that we should avoid a Euro or U.S. centric volume.

If so I think we should spend some time before the October workshop thinking about whether we are satisfied with how the cases are beginning to shape up in terms of geographic representation.  For instance, one theme coming out of the Barcelona workshop that might better come into focus with additional cases from the global south would be relationships with previous cooperative movements.  As Rodolfo and Michelle emphasized, even the word

"cooperative" has very context-specific implications because cooperatives were often used as tools of colonial oppression in places like India and Rwanda (a case I'm more familiar with).

It might also be interesting to have a comparative essay about when strategies to develop or convert cooperatives have diffused from one country to another (such as Argentinian *recuperadas* inspiring worker takeover of New Era Windows & Doors in Chicago or Mondragon inspiring the creation of union co-ops in Cincinnati). In that way we might be able to think more concretely about what it would look like for a cooperative market economy to transcend the local or regional scale.

Another idea that came up in the workshop was thinking more about what we can learn from historical examples of cooperative development/conversion rather than limiting our scope to contemporary cases. For instance, I believe it was Iñaki who mentioned that there was a 1970s wave of Spanish cooperative conversions linked to the economic crisis. Where are those firms today and what might they tell us about the conditions under which conversions develop interdependent networks?

Methods

We bracketed much discussion of methodology during the workshop but I think that several questions would be worth discussing as we move forward.

First, how much can you generalize from an individual case study? I personally believe that it is possible to learn a great deal about pathways to a cooperative market economy from a deep dive into a particular case, but it does impose limits on generalizability. For instance, I have a lot to say about the ways in which unions seem to facilitate or impede the process of incubating union co-ops in Cincinnati, but my findings don't necessarily apply even to other union co-op initiatives in the U.S. I think we can justify selecting representative, informative, or deviant individual cases but we should be clear about the kinds of claims we can make from them. This is part of the appeal of focusing on Argentinian *recuperadas* because there is a much greater population of firms to study.

Second, should we include negative cases in the volume? Although it's difficult to study the counterfactual (instances where conditions were prime for a cooperative market economy but one did not emerge), there is some interesting work in social movements on negative case studies. I think it would be valuable to include at least one such essay in the volume to help bring clarity to the bottlenecks various pathways entail. The most informative session I attended at the U.S. Federation of Worker Co-ops Conference last year was on "failing well."

Third, should we include an essay that is explicitly devoted to methodological issues? I understand that the CREA team has published quite extensively on their "communicative methodology." Is that also worth exploring in the context of this volume? I also think it could be helpful to provide a framework for readers to understand whether and if there is some sort of common methodological thread or criteria that carries through all the essays.

**Group process**

I am grateful to Erik for convening all of us in Barcelona and wanted to conclude with a few questions and comments about practical issues related to group process.  Not all of these are pressing but I wanted to raise them while they were still fresh from the workshop.

First, how will we stay in touch as the project evolves?  How will those who are not able to attend the workshop in Argentina remain active in the conversation?  I know Erik has set up a preliminary website – an online platform is a great way to stay connected.  My husband, an open-source software developer, has also offered to volunteer his time to set up a fancier website that would allow us not only to post documents but also have public or private discussion forums.  Is this something the group is interested in?

Second, what kind of time frame are we operating on for this project?  My understanding is that a group with some of the same players will convene in Argentina in October, and then there will be a *real utopias* conference in Madison sometime in 2017.  Erik also mentioned the possibility of having another meeting after Argentina.  What will be the process for clarifying key milestones, and who will keep us on track?

Third, who will be the gatekeeper for contributions?  In other words, in the event of disagreement what will be the process to decide which themes/essays will be included in the volume?  Will there be some sort of editorial board or peer review?

In general my feeling is that teams work most effectively with clear roles and norms for working together.  Roles need not imply any kind of hierarchy, but clarity on who will do what helps us avoid duplicating work and also identify gaps.  Norms help us set collective expectations and avoid misunderstandings.  Examples of group norms might include: start on time, end on time; step up, step back (monitor your participation); land your plane (make your point succinctly).  Examples of roles we might consider include:
- A convener who sets up meetings/workshops, including logistics and invitations to participants;
- A meeting facilitator.  There's a saying in organizing that "it's impossible to simultaneously be responsible for the process and the outcome" and I think it's often helpful to have someone external to the project facilitate meetings/workshops;
- A communications coordinator who sets up and manages our platform to stay in touch between meetings/workshops (whether that be a website, Google hangouts, etc.);
- A scribe who takes notes during meetings/workshops and posts these along with slides and recordings so participants can access them later.