

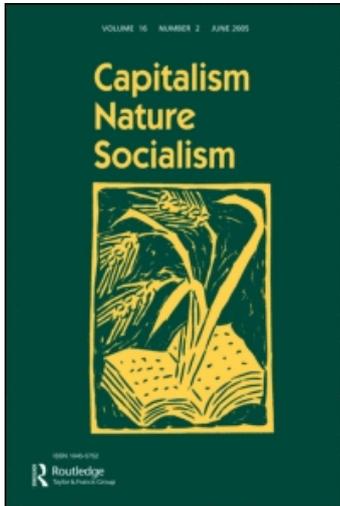
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## Cooperativism: A Social, Economic, and Political Alternative to Capitalism

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## ***POWER TO THE PEOPLE***

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### **Cooperativism: A Social, Economic, and Political Alternative to Capitalism**

*Carl Ratner*

#### **A Social Theory for Cooperativism**

Social systems may be likened to scientific paradigms. They become consolidated and extended; they are weakened by fundamental flaws; these are patched up in awkward, inadequate ways by authorities who have a vested interest in maintaining the paradigm or system; the weaknesses intensify and drive the paradigm or system into collapse; and eventually critics develop new systems or paradigms to replace failed ones. Social transformations are as necessary and as justified as scientific revolutions are. They are the only way to solve the accumulating morass of problems that invalidate the existing system (as the American Declaration of Independence states).

American capitalism is now collapsing to the point where it can no longer be patched up, and its fundamental principles must be critiqued and replaced by a new system of social, economic, political, and ecological principles. Recommendations for social reform rest upon a host of assumptions about the structure and causes of the problems, ideals and possibilities for a better society, and even human nature itself. Recommendations for social change are futile and unconvincing unless they address these broader, deeper issues.

I suggest that the myriad problems we face today—economic instability; inadequate health care; the declining quality and accessibility of education; the worsening ecological crisis; deterioration of the water and food supplies; escalating rates of mental illness; a rise in international conflicts, ethnic conflicts, and crime; the stupefaction of the arts and entertainment; and the corruption of news, politics, and medical research—have a common basis in capitalist political economy. This is why they exist together and can only be solved together by transforming their common basis from a capitalist political economy into a cooperative political economy.

My analysis of the *content* of our current problems and the *content* of their resolution is thus linked to an analysis of their *structure*, i.e., their organization and interrelationship. It is because social problems are interrelated and have a common

basis in political economy that the content of multiple social problems has a common content that reflects the political economy.

The structure of problems also determines the form and content an effective solution must take. Interrelated problems must be solved in unison. They cannot be solved separately and independently, because each is supported by the others. If we focus on one and ignore others, they will surreptitiously sustain the target problem and undermine our efforts to solve it. Similarly, in order to achieve real change, the deep structure of the existing political economy must be changed.

Figure one illustrates a deep structural model of society with two visions for society in the form of two inverted cones. The one on the left shows phenotypical problems structured together around the mouth of the cone, and the linkage between these problems and the underlying political economy of capitalism. The common stem of the cone beneath the surface must be transformed toward a society organized around a new stem of political economy—namely, cooperativism—which leads to healthier, more democratic outcomes, as illustrated by the cone on the right.<sup>1</sup>

The stem-mouth relation depicted in the diagram is not simple, automatic, mechanical, or unidirectional. It does, however, illustrate the domination today of capitalist commodity production over virtually every sector of society from health care to day care, news, entertainment, politics, sports, international affairs, environmental regulation, food production, the courts, and scientific research.

One-hundred sixty years ago, Marx presciently described the conditions that dominate society today. He said:

The relations of production in their totality constitute what are called the social relations, society, and specifically, a society at a definite state of historical development, a society with a peculiar, distinctive character. Ancient society, feudal society, bourgeois society are such totalities of production relations . . .<sup>2</sup> The sum total of relations of production constitute the economic structure of society—the real foundation on which rise legal and political superstructures and to which correspond definite forms of social consciousness. The mode of production in material life determines the general character of the social, political, and spiritual processes of life.<sup>3</sup>

As Marx points out, the political economic base of capitalism is the private ownership of the means of production and consumption, the profit motive to enrich

<sup>1</sup>Cf. Carl Ratner, *Cultural Psychology: A Perspective on Psychological Functioning and Social Reform* (New York: Erlbaum, 2006).

<sup>2</sup>Karl Marx, “Wage, Labor, and Capital,” in K. Marx and F. Engels, *Selected Works*, Vol. 1 (Moscow: Foreign Languages Publishing House, [1849] 1962), p. 90.

<sup>3</sup>Karl Marx, *A Contribution to The Critique of Political Economy* (Chicago: Kerr, [1859] 1904), p. 11.



these private owners, and the market economy of commodity production and exchange (in which labor is a commodity). Marx observed that this base, which supporters of capitalism consider to be the epitome of freedom, creativity, and respect for the individual, is actually a state of instability, unpredictability, uncontrollability, coercion, fragmentation, alienation, social disregard, and depersonalization. Private property, therefore, is a form and expression of alienation.<sup>4</sup>

From Marx's vantage point, collective property is more conducive to human life and is the way that humans originally treated property. In contrast, private property is a negation of a more compatible, primordial form of collective property and thus, according to Marx, a negative form of property.

Marx explained how collective property could be restored via a class struggle to retake the property from the ruling class that had expropriated it from the people:

*Communism is the positive abolition of private property, of human self-alienation, and thus the real appropriation of human nature through and for man. It is therefore, the return of man himself as a social, i.e., really human, being . . .*<sup>5</sup>

By expanding on Marx's thinking, we can both develop a blueprint for what cooperativism must avoid and formulate the alternative direction it must take.

### **The Political Economy of Capitalism**

Two co-existing forms of commodity production take place in capitalism.<sup>6</sup> One, simple commodity exchange, predates capitalism but is both incorporated within it and altered by it. Commodity exchange is depicted in figure two.

Simple commodity exchange involves and promulgates the separation of production and consumption, payment and income, producer and consumer. The double vertical line is an imaginary sales counter that separates the three relationships as the commodity and money move across it. A commodity reflects and embodies particular social relations and economic principles. It reciprocally positions producer and consumer as separate social actors with disparate interests.

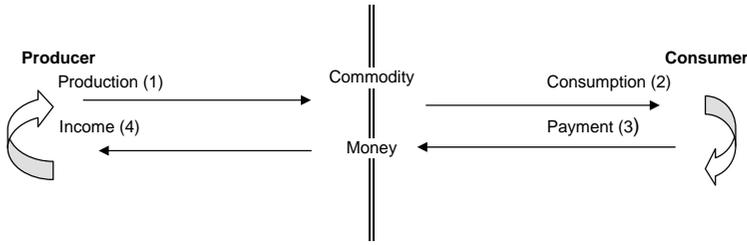
In commodity production, the default position of producer and consumer is separation, and each transaction begins and ends in a position of separation. Isolation is interrupted by temporary transactions across the barrier of a sales counter. As soon

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<sup>4</sup>Karl Marx, *Early Writings*, edited by T. Bottomore (New York: McGraw-Hill, [1844] 1963), p. 131.

<sup>5</sup>*Ibid.*, p. 155.

<sup>6</sup>Karl Marx, *Grundrisse: Introduction to the Critique of Political Economy* (New York: Random House, [1857] 1973).



**Figure 2.** Simple Commodity Exchange.

as the transaction is completed/terminated, the individuals revert back to their solitary state and await the next temporary, impersonal transaction. The exchange typically involves each individual (producer and consumer) pursuing antagonistic self-interest (selling as expensively as possible, or buying as inexpensively as possible). Commodity production and exchange entail no real social togetherness even when people interact. These transactions are temporary, contractual, circumscribed, self-interested, measured interactions without sustained social interest in the separated other.

In simple commodity production, the buyer and seller are instrumental means for the other's happiness: I produce things for you so that I can earn money. I tend to have no intrinsic concern for your well-being. Conversely, you give me money so that you can acquire my product and be happy. You tend not to be genuinely interested in my well-being.

Simple commodity production is reciprocal instrumentality, or instrumental reciprocity. Producers and consumers do not help each other improve their skills, nor do they sustain and deepen relationships. Rather, they look elsewhere for a better deal for themselves and quickly desert their former other who is left to fend for him- or herself. A series of transient, circumstantial, circumscribed transactions are a dominant feature of modern life under capitalism.

In simple commodity production, short-term reception for oneself (figure 2, steps 2, 4) supercedes long-term production for others (steps 1, 3). The producer would prefer to receive money (4) with little or no productive effort for others (1). The consumer would prefer to receive goods (2) with little or no payment of money to others (3). Commodity production tends to produce a receptive, rather than a productive orientation.

The instrumental actors are not only alienated from other people but from their own activity and fulfillment as well. Production is not exercised to fulfill producers, rather it is performed to obtain a reward.<sup>7</sup>

<sup>7</sup>Alfie Kohn, *Punished by Rewards: The Trouble with Gold Stars, Incentive Plans, A's, Praise, and Other Bribes* (New York: Houghton Mifflin, 1993).

Simple commodity exchange further impedes genuine social solidarity by encouraging the conversion of social relationships into standardized, calculated interactions: One customarily gives to other people in proportion to what one receives from them. If the other has little money to pay, for example, that person will most likely get little food, clothing, or shelter. Thus, the system of commodity production limits genuine caring about other people, making caring (and all social rewards including respect, health care, food, and shelter) conditional upon productivity. Both the quantity and quality of caring are unequally apportioned to more productive individuals. Contrary to popular myth, market society does not value each and every individual unconditionally and equally for their humanity.<sup>8</sup> Experimental studies on decision-making demonstrate that people are less altruistic when they are paid or expect to be paid for some behavior, compared to when they do something as a community activity.<sup>9</sup>

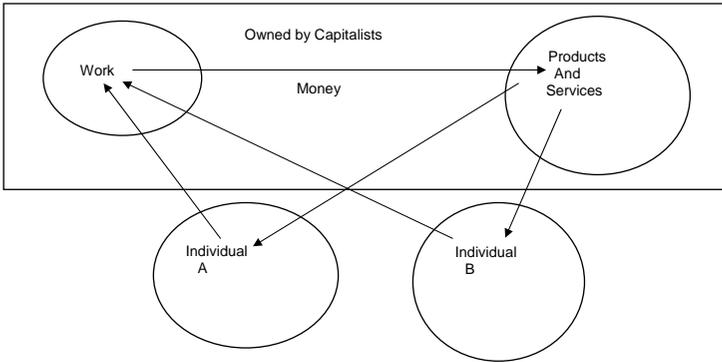
Artifacts and property not only reflect social relations, they also structure them by positioning people in social interactions. The fact that an object is a commodity and is used as a commodity places the buyer and seller in a definite social relation to each other. Being a commodity *means* that it is the private, exclusive possession of the owner and that the other has no right to it without offering to exchange something of equal value, which is the other's private, exclusive possession. Paying to park your car or to use a bathroom or buy water for your house tells you that the parking space, the bathroom, and the water are not yours, they *belong* to someone else, you have no *right* to them, and you must give the rightful owner something of value in order to use *the owner's* object for that particular transaction, though the owner can always refuse your payment and not allow you to use it. In such transactions, whether or not you are permitted to use it, if you want to use the parking space, the bathroom, or buy water another time, you have to pay again.

Commodity production makes life a constant struggle to earn a relationship with water, food, shelter, clothing, and work. We have no intrinsic relation with them, no right to them, no security about them. Our relationship with them is always tenuous, precarious, and stressful, because it depends upon our having sufficient wealth to buy them. We even have to purchase the constituents of our identity, or self, from capitalists, in the form of consumer products. This makes identity formation as precarious as finding and keeping a job. Since we continually have to buy what we need from others who are not obligated to us, commodity society is not an "ownership society" as neoconservatives claim. Furthermore, direct, personal appeals to use the good or service because you need it are futile.

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<sup>8</sup>D. Foley, *Adam's Fallacy: A Guide to Economic Theology* (Cambridge: Harvard University Press, 2006). The law of supply and demand, which regulates commodity production and exchange, contradicts any moral notion of supporting people in need, for the more a commodity is needed, the more expensive it becomes and less readily is the need satisfied.

<sup>9</sup>Accordingly, the proposal to pay spouses for housework would introduce all the alienation and depersonalization of commodity exchange into the family.



**Figure 3.** Capitalist Commodity Exchange.

Every transaction that involves commodities—every visit to the store, the doctor, the laundry, the music teacher, the hairdresser, etc.—inculcates the foregoing commodified social and psychological elements in individuals. Even the cognitive act of calculating an object's (or service's) price, outside the direct exchange of commodities, reinforces the sense of self in terms of commodified social relations, since the calculation is only necessary because goods and services are the private possession of separate individuals and are acquired and disposed of strictly in terms of their exchange value. Thus, price calculation incarnates, crystallizes, implies, and presupposes the social psychology of commodity production. When objects are not treated as commodities, a different set of calculations and comparisons to measure productivity and efficiency come into play.

The second form of commodity production in capitalism is dominated by capitalists. Capitalists own the means of production, the products and services that are produced in their companies, and the money supply. Workers are dispossessed of these resources—which they used to own before the capitalists expropriated them in a process called primitive accumulation.<sup>10</sup> Workers must apply to capitalists to be hired to work in the capitalists' companies, receive money from the capitalists (wages), which they need to purchase the capitalists' goods and services. These social relations of capitalism are diagrammed in figure three.

Figure three depicts two interrelated features of capitalist economics. Individuals are alienated from their work activity, the money supply, and the products they produce. And individuals are alienated from each other. Individual A engages in a circuit of selling his or her labor to the capitalist for money which he or she then uses to purchase goods and services for him- or herself, and individual B engages in a separate circuit.

<sup>10</sup>M. Perelman, "Primitive Accumulation from Feudalism to Neoliberalism," *Capitalism Nature Socialism*, Vol. 18, No. 2, June 2007, pp. 44–61; K. St. Martin, "The Difference that Class Makes: Neoliberalization and Non-Capitalism in the Fishing Industry of New England," *Antipode*, Vol. 39, No. 3, 2007, pp. 527–549.

Capitalist commodity production introduces new social relationships that negate cooperative behavior. These include exploitation, autocratic management, competition, and greed. In simple commodity production, the producers sell (alienate) their product to the buyer. In capitalist commodity production, workers sell their labor power to the buyer (capitalist), in effect selling themselves as an object. They lose control over their own activity as the boss determines the rules of their labor. Bosses then sell the workers' product (as their own) to the customer. The capitalist mediates the producers' relation with the customer, whereas in simple commodity production only money mediated their relation.

Capitalist commodity exchange is also exploitive because the capitalist pays the workers a fraction of the value they produce, and he or she appropriates the remainder (surplus value) as profit. In the U.S., between 1972 and 2005, productivity per nonagricultural worker almost doubled, but average real wages of production workers declined 10 percent. From 2000 to 2005, profits as a share of gross domestic income increased 10 percent, while wages and salaries declined 10 percent. For the first time on record, a larger share of income growth went into corporate profits than to wages and salaries.<sup>11</sup> During the current economic crisis, capitalists have increased their exploitation of workers, which has magnified the crisis. Although output only dropped 5.5 percent during the last quarter of 2008, job cuts during that period amounted to an annual rate of 8.4 percent.<sup>12</sup>

Commodity production and exchange excludes input into the transactions from those who are not directly involved in a transaction, but who are nevertheless gravely affected by it. Private production of cars, for example, excludes input from the billions of people who are affected by the effects of cars on the environment and on their health. *Private ownership is autocratic because it is impenetrable by the public.* It is internally autocratic in imposing working conditions on workers within the production process; it is externally autocratic in imposing harmful conditions on people outside production.

In a system of private property and decision-making, you only affect others' behavior indirectly, without talking to them, at a distance, by your own behavior in your own domain. You can shop at another store or start your own business and take business away from them. But you cannot directly force them to change their behavior through personal communication, because you have no *right* to affect *their private* behavior. Their right to their business and their behavior places you in an external, alienated social relation to them. Enforcing their right enforces your alienation.

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<sup>11</sup>Katheryn M. Neckerman and Florencia Torche, "Inequality: Causes and Consequences," *Annual Review of Sociology*, Vol. 33, August 2007, pp. 335–357.

<sup>12</sup>See <http://www.fxstreet.com/fundamental/analysis-reports/kbc-news-picks/2009-02-06.html>.

### *Capitalist Commodity Production and Ecology*

Capitalist commodity production is destructive to the environment for many reasons. The social estrangement of people from each other is recapitulated in the estrangement of humans from nature. The organic connection between humans and nature is replaced by a separation whereby nature is a utilitarian object apart from the individual. Nature becomes a commodity to be bought and sold, exploited and discarded; it is a cost of production that must be minimized. This means reducing costs associated with extracting and disposing of natural materials, which in turn, translates into rapacious extraction and careless disposal of natural materials. Commodified nature is an instrumental resource for personal enrichment, not something to be respected and nurtured in its own right.<sup>13</sup> Furthermore, this intense degradation of nature for rapid short-term profit magnifies the cost of cleaning up pollution in the future.<sup>14</sup>

Capitalism pollutes through the compound commodification of products. The more a simple, natural product can be processed and adulterated with multiple additives—each of which is a commercial transaction that incurs cost and profit—the more profitable it is, the more energy is used, and the more pollution ensues. Profit-driven planned obsolescence of goods exacerbates these energy-intensive, wasteful, and polluting practices.

Capitalism promotes economies of scale to augment profit, and this often has disastrous effects on the environment. Industrial chicken, cow, and pig farms, for example, concentrate enormous amounts of toxic waste in the form of chemical-laden manure that is difficult to dispose of. Such operations also necessitate extensive transportation systems in contrast to small, localized operations that are close to the point of sales and easily recycle much smaller amounts of waste.

Finally, the privatized life of capitalism fosters immense waste through consumerism. Next-door neighbors buy their own newspapers, lawn mowers, leaf blowers, etc. This spurs enormous unnecessary redundancies in production and the use of resources.

The causes of pollution in the political economy of capitalism are thus broad and deep, and reducing it requires transforming this base.

Market mechanisms such as pollution credits turn pollution into a commodity to be bought and sold to maximize profit. The Kyoto Protocol, for example,

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<sup>13</sup>A. Jorgenson, "The Transnational Organization of Production and Environmental Degradation: A Cross-National Study of the Effects of Foreign Capital Penetration on Water Pollution Intensity, 1980–1995," *Social Science Quarterly*, Vol. 87, 2007, pp. 711–730.

<sup>14</sup>R. Smith, "The Eco-suicidal Economics of Adam Smith," *Capitalism Nature Socialism*, Vol. 18, No. 2, June 2007, pp. 22–43.

emphasizes market mechanisms to deal with the looming ecological crisis of global warming. But market mechanisms cannot eliminate pollution.<sup>15</sup> On the contrary, this policy leads companies to become more concerned with acquiring pollution credits than with reducing pollution. As long as companies can buy credits from an operation designated as a non-polluter at a cheap enough price, most seem happy to continue to pollute. Indeed, bankers encourage companies to purchase pollution credits from them rather than control pollution through costly, uncertain, building projects, such as new wetlands.<sup>16</sup>

Pearce lays out how this scheme works:

There's little doubt that free-market capitalism helped to get us into the mess we're in. As Nicholas Stern, former chief economist at the World Bank, puts it: climate change is "the greatest market failure the world has ever seen." The question now is whether capitalism is able to make amends." Most of the companies that want to buy carbon credits have no expertise in green energy projects—or indeed in buying and selling financial instruments as esoteric as carbon credits. So middlemen are moving in, closely followed by speculators. Some set up energy projects to earn carbon credits. Others buy these credits and sell them on. Still others buy options on credits not yet generated or which might be awarded by regulatory regimes that don't yet exist—such as the next phase of the European Emissions Trading Scheme, due to start in 2013. These speculators anticipate that rising prices for carbon permits will eventually deliver a juicy profit.

More than one-third of the official CDM [carbon credit] projects approved so far are for hydroelectric dams, mostly in China. The rationale is that by building dams rather than coal-fired power stations, the investors are reducing emissions and so are entitled to carbon credits. Maybe so. But International Rivers, an NGO that campaigns against dams, has shown that most of the dams issued with CERs [Certified Emission Reduction credits] were either completed or already under construction before the application for carbon credits was made—suggesting they were going to be built anyway, without the incentive of carbon credits. For instance, the Xiaogushan dam in Gansu province began construction in 2003. Later it qualified for carbon credits. Once sold, those credits will allow their purchasers, probably in Europe, to pump out some 3 million tonnes of CO<sub>2</sub> that they would not otherwise have been allowed to emit. [Carbon credits thus *increase* pollution in these cases!] Perhaps surprisingly, there is a widespread view among investors and politicians alike that this is perfectly acceptable.

Another danger of making a market in carbon emissions is the least discussed, but perhaps the most important: only a minority of emissions are covered by legal caps. Most industrial and transport emissions in developing countries remain outside the market. So too do most of the huge emissions caused by deforestation, draining wetlands and ploughing fields.

<sup>15</sup>Karen Bakker, "'The Commons' vs. 'The Commodity': Alter-globalization, Anti-Privatization, and the Human Right to Water in the Global South," *Antipode*, Volume 39, No. 3, 2007, pp. 430–455.

<sup>16</sup>Fred Pearce, "Dirty, Sexy Money," *New Scientist*, Vol. 198, No. 2652, April 19, 2008, pp. 38–41.

What that means is that market solutions to carbon emissions risk displacing the problem to activities and places where nobody is counting, and there are no penalties. Just as insidiously, it now makes market sense to cut your emissions in ways that cause much larger emissions from natural ecosystems. You can gain carbon credits for burning biofuels in Europe, even if the crops from which they are produced are grown in fields created by cutting down forests. For some hydroelectric schemes, gains are more than outweighed by the rotting in the reservoirs behind the dams.<sup>17</sup>

As Smith observes (consistent with Rachel Carson), a new mode of production is necessary to reduce pollution, because as long as capitalism persists, its insatiable drive for profitable production and mass consumption will offset any technical reduction in pollution.<sup>18</sup>

We turn now to exploring a new mode of production, cooperativism, that can correct the social and environmental problems of capitalism. I use the term cooperativism rather than socialism simply because it is more descriptive of the deep cooperation among people that a new political economy must embody; and also because it is free of the confusing and unpalatable baggage that the term socialism has acquired for some people from the atrocities that have been committed in its name. My use of cooperativism builds on the socialist ideals outlined by Marx. Indeed, below I am critical of cooperatives that do not incorporate and develop socialist principles. A new name enables us to freshen and deepen these ideals by examining what their cooperative basis really involves.

## Cooperativism

Cooperativism is best understood as a goal that is reached through successive approximations. I shall enumerate three levels in order to explicate a *telos* or logic of cooperativism from minimal to maximal. This gives more of a sense of what cooperativism is than trying to describe it in a single definition.

Not all acts of kindness and cooperation are forms of cooperativism. If I help you paint your house and you then help me paint mine, this is an act of cooperation (in the general sense) and reciprocity, but it is not cooperativism. In this act, you and I remain fundamentally independent with our own interests and property. We simply engage in a temporary mutual aid to help each other fulfill our individual interests. Our two houses coincidentally happen to need painting at the same time, and we coincidentally each have enough money to individually buy the paint at the same time. Mutual aid or reciprocity does not represent any group *praxis* toward fulfilling collective interests and objectives.

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<sup>17</sup>*Ibid.*

<sup>18</sup>R. Smith, *op. cit.*

Cooperativism is similarly absent in situations where several individuals utilize a common space for their own individual ends. An example is a farmer's market where individual farmers sell their crops in a public space provided by a city government. The farmers have no relation to each other. They do not aid each other. Of course, some of them contact the city government to plan the dates and format of the market. However the farmers participate as individuals. It is a misnomer to call such farmer's markets "community events." The farmers are plural isolations as are the consumers.

Even a buying club is not cooperativism. It consists of individuals pooling their money for a single shopping expedition in order to get a price discount on a bulk order. Individual members are primarily concerned with how much money they personally save. Of course, all the members benefit from pooling their money, however they do so as a group of independent individuals. They simply combine their separate money for a few hours and then retreat to their default position as isolated individuals with their private resources and interests.

Cooperativism begins when individuals start to give up their separateness, privacy, and self-interest and contribute (integrate) their wealth, possessions, and rewards to a democratically run group in which they collectively decide how the resources will be used to benefit the members together. Group members develop group projects, identity, feelings, needs, motives, interests, and responsibilities. This group *praxis* results in social solidarity and support for the members. It also results in an active role for individual members in shaping the activities of the group, and this affects their behavior.

### ***Level I Cooperativism***

If the farmers who participate in a farmer's market form an association and contribute \$100 each to it for the purpose of advertising and beautifying the market, this is an initial level of cooperativism. This act pools small resources of individuals into a collective effort that benefits all the contributors together, equally. The individual gives up control over his money—unlike the situation of the buying club—to the group. The group now decides how it shall be used on projects that will benefit all the members together.

Each farmer acts as a group member rather than as an individual. Individual farmers don't only beautify their individual stalls in the market or advertise on their own about it. The advertising and beautification promote the entire market, and individual farmers benefit from their group membership. The combined money attracts customers to the market as a whole. Each farmer's contribution is magnified by pooling it, and each receives far more customers this way than would have been possible by spending \$100 individually.

This is a new form of distribution of benefits. Benefits (i.e., increased clientele) are not apportioned individually in proportion to one's individual monetary contribution

in a quid pro quo. One benefits as part of the collective benefit, not in opposition to (competition with) the others. And one benefits more than he or she would alone. *Individuals benefit because they give up their individualism (not their individuality).* They give their money to the group for the group. This collective structure leads each individual to identify with the group, because it is the source of his or her expanded benefits.

An additional example of Level I is farmers pooling \$1,000 each to collectively purchase a large, efficient machine for harvesting or processing their crops. Individual farmers would take turns using this machine on their own farm. Giving up control of their money to the group yields greater benefits to themselves than what they could purchase alone for their \$1000.

The benefits that individuals derive from the machine are not distributed according to their financial contribution to purchasing it. Individuals freely use the machine regardless of how much money they contributed. They do not purchase a certain amount of benefit for themselves.

Cooperativism at Level I is a significant advance over commodity-mediated market interactions. It is an advance over mutual aid, buying clubs, and other groups that are composed of a sum of independent individuals. However, Level I remains primitive, because it only bestows the advantages of cooperativism on a small portion of the farmer's socioeconomic life. Outside the small contribution to the group, individual farmers remain independent, self-interested, alone, insecure, and unsupported. They purchase and own their farm, equipment, and supplies. They grow their crops by themselves and for themselves and transport their goods to market. They compete with other farmers and become jealous at their success. These activities reflect and also promote isolation from others and impede fuller cooperativism and the benefits it provides to individuals.

Furthermore, the benefit individual farmers receive from using the collective machine is proportional to the amount of crop they are able to grow and transport on their own. Disadvantaged farmers will process less crop and derive less benefit from the machine than advantaged farmers. Level I cooperativism continues to favor the strong and wealthy and perpetuates their privilege and dominance.<sup>19</sup>

### ***Level II Cooperativism***

More extensive cooperativism is achieved as individuals turn over more of their private possessions to the collective for group management and support. An example

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<sup>19</sup>Level I cooperativism is the level of corporate franchises. For example, Ace hardware stores are independent businesses which each contribute a fee to the national organization. It arranges for uniform production, labeling, and advertising of all Ace products. However, each store sinks or swims on its own. It does not receive financial or operational support from the others. The stronger local stores utilize the brand name more profitably than the weaker ones.

would be several farmers giving up part of their land and a large sum of money to form a commons on which they build a processing plant for their crops. This reduction in private ownership of land and facility leads to economy of scale, social support, and social knowledge on the collective land and facility. Individuals would vote for, or join, a collective management team, which would free them from having to maintain their own smaller facility, and the team would hire technicians to run the plant. A crew would collect each farmer's crop and bring it to the plant, relieving individual farmers of the burden of buying their own truck and taking time to transport the crop to the plant. More activities would be collectivized and cooperativized in Level II cooperativism.

In Level II cooperativism, individual farmers remain independent. They retain their own farm, grow their own crops, and receive an output commensurate with this input. Level II continues to favor the strong and disfavor the weak, which keeps people divided, self-interested, and not fully socially-minded.

### ***Level III Cooperativism***

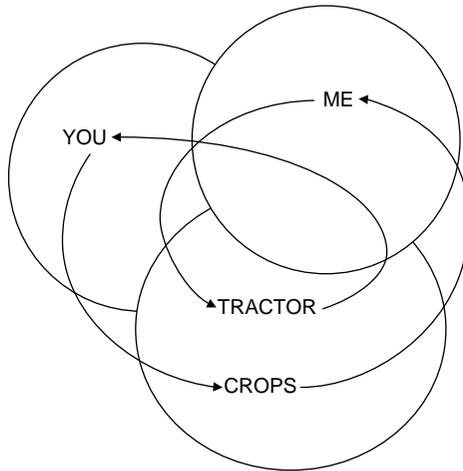
Maximum cooperativism is achieved if farmers collectivize their entire farms (maintaining a small parcel for themselves) and manage them through democratic bodies—not by autocratic political leaders as in Soviet-style collectivization. Collectivizing property objectifies and strengthens collective social relations, because forms of property are social relations.

In collective ownership of property, what I do for you simultaneously benefits me, and vice versa. When I produce a product or a service, you also own it—intrinsically, without having to exchange anything for it—and what you make with it is also automatically mine. When you use the tractor that I have helped build, you use it for a common good—to plow communal land—which includes me.

This is depicted in figure four.

Figure four shows you, me, and the tractor integrally (internally) related. The tractor that I make belongs to you as well. When you use *our* tractor to produce crops, they belong to me as well as to you). Our social integration and our collective ownership and distribution of resources go hand-in-hand.

In commodity production, I sell you the tractor and have no say about what you'll use it for or to whom you'll sell your produce. I have to go to the market to try and buy produce if you are willing to sell it to me. If you can find a higher bidder, I will not be able to buy it. I have no direct access to the product (tractor) that I built, or the product of that product, or to you. Commodity producers have little awareness of the effects of their product, because they have no social relation with its new owner.



**Figure 4.** Communal Social Relations and Communal Property.

Cooperativism retains the personal relation of producer and product through the communal social relation of producer and consumer. Consumers will have a direct relation to the products they purchase, because they are directly linked to the producers through the collective plan that they are all involved in. Collective ownership *means* that the producer is producing for the community that owns the means of production and makes up the production plan. Collective ownership *embodies and ensures* collective participation. It is *built into* the form of collective ownership and is not something that people have to petition for and beg the (independent) producer to listen to. Consumers will have knowledge of the work of the individual producers and how they are following the community plan, and this will deepen their appreciation of the products far beyond the physical styling of products that we are now limited to because we are alienated from those who produce them.

A collectively devised plan has input from all affected individuals and can reciprocally address their needs. The plan may allocate a specially designed house to a family with a handicapped member. This *reversal* of quid pro quo is clearly more humanitarian, because it gears support to need rather than to productivity. Quid pro quo punishes people for weakness and need by reducing their pay in proportion to their lower productivity, thus it excludes people from social support when they need it the most. It negates cooperation and forces individuals to solve their problems alone, while cooperativism provides people with extra social support that will bring them up to speed so that they can be productive social members. *Cooperativism is more personal than the market.*

Cooperativism means others include you in their ideas and activities, they support you, they care for you and about you. You do not have to struggle to assert yourself against impenetrable, distant, independent, private others who work for their own

self-interest with their own resources that exclude you. In cooperativism, the resources they have are collective, which means they belong to you, and you have a say in their use.

This takes enormous pressure off you to fight for your place, your voice, and the resources you need. Resources are not beyond you, owned by others whom you cannot influence, or must plead to influence. Resources *belong to you because you are part of the community that owns them*. Your needs are included in the production and distribution plan from the outset, and you are entitled to a distribution from the community, of which you are a part.

Because your voice is an intrinsic part of the plan, you have a *right* to express yourself. Others must solicit your opinion about the production, distribution and use of resources, because you own them. Others cannot dismiss you and exclude you or say it's none of your business. There is an intrinsic, organic social solidarity to collective ownership of resources.

Contrary to bourgeois ideology, you have *more* rights, access, decision-making, control, ownership, and security than in commodity production. As an individual, you own *all* the resources of the community by virtue of your membership in the community. Under capitalism, your social being in the community does not even give you a right to a job or a place to live. You must struggle to acquire opportunities and resources on your own. The more one renounces individualism and accepts collectivism, the more one is fulfilled as an individual.

Of course, disagreements will arise about a plan, and more ambitious, articulate, or selfish individuals may strive to have their desires met over others. Divisions of labor will exist, and not all individuals will be actively involved in every domain. Individuals must make sure to express themselves fully and utilize their rights and opportunities as community members. Mediating bodies will have to exist to resolve disputes. However, the basic structure will be in place to include people in decisions and resources by virtue of their collective ownership. This is fundamentally different from capitalism where the *structure* excludes people from the outset, and life for most people is a struggle to get what they need.

The (functional) family is a model of Level III cooperativism. It distributes goods on the basis of need. When a child enters a family, the child automatically possesses all the rights to be taken care of by the family. The child has a right to shelter, food, transportation to school, etc., because he or she is a member of the family, not because the child works or pays a quid pro quo. The child reciprocally works hard for the family out of love, respect, and duty.

The concept of group insurance is another form of Level III cooperativism. Individual premiums go into a collective fund that is used to help whomever needs it. If your house burns down, you receive a benefit that is far greater than your accumulated premiums. If your house doesn't burn, you receive nothing for your premiums.

Market relations may be retained within a collective system of ownership as adjuncts to that system. Such markets would function as they did in pre-capitalist societies. They were marginal, auxiliary mechanisms to a collective economy. The price, quality, and quantity of goods were regulated to benefit the community. Pre-capitalist markets consisted of simple commodity exchange. Laborers were hired to repair things or to help a family harvest crops. There were no capitalists who hired laborers to produce a product that capitalists would expropriate and sell for more than they paid the worker to produce it. This limited kind of market could function within the parameters of a modern cooperativist economy.

Cooperativism is a social relation of intrinsic, or organic, interrelatedness. Things and people are part of each other. When you make a tractor, you are entitled to the crops that others produce with it. “Your” tractor, “their” crops, “your” behavior, and “their” behavior are organically interrelated. Similarly, production is coordinated with housing, education, and health care. Since all of these affect each other, they are integrated together so their effects can be coordinated. Your job entitles you to housing, education, health care, day care, old age care, etc., because all of these bear on each other. It is more rational, efficient, and humane to build these activities into a common system that can arrange them efficiently without conflict. The “externalities” are internalized together so they can be planned and coordinated effectively and humanely.

Long commutes and arranging child care for long hours far away from parents’ jobs creates stresses that directly affect work and which are not external to work. Commodifying them separates them and makes them appear external. Cooperativism takes account of the actual interdependence of things and makes these relationships explicit and rational.

This is exemplified in the case of environmentalism.

### **Cooperativism and Environmentalism**

Protecting the environment requires a social concern that transcends narrow self-interest. Social concern derives from a cooperative community that extends peoples’ concerns from themselves to the collective. In other words, a collective, cooperative social organization of people works to extend their viewpoint to encompass the community and its long-term interests, which include protecting its environment. *Environmentalism is an extension of cooperativism. Genuine environmentalism is impossible apart from cooperativism.*

Cooperativism integrates companies into the community, which then brings community objectives into every level of the companies’ operations. Pollution would thus become an internal, collective matter (and cost) for the entire, integrated company/community rather than an “externalization” that workers and community

members have to bear individually, as they do now. By bringing pollution and the company within the purview of the community to be dealt with as a whole, cooperativism corrects the capitalist fragmentation of company, pollution, and community, which currently allows companies to escape responsibility for their pollution and its resulting harms.

Contrary to conventional wisdom, accounting systems are not neutral, but instead presuppose different social and philosophical considerations. Therefore, a cooperative system that incorporates ecological considerations requires a new accounting system that measures and positively values them. As Flores and Sarandon<sup>20</sup> point out, cost-benefit analysis is predicated solely on the cost of production; it does not include external costs to employees, the community, or the environment resulting from production. Thus, under cost-benefit analysis, production that is both harmful and expensive to society may appear to be efficient and profitable for the company. Conversely, production that protects the environment, the community, and employees is seen as costly, unprofitable, and inefficient. Such expenses are a negative in this accounting system. *A capitalist political economy is built into cost-benefit accounting.*

Flores and Sarandon attach value to sustainability, biodiversity, spatial diversity, local production and distribution, low pollution, natural materials, tillage, soil coverage, and workers' satisfaction, employment, and health. Because these factors have no definite exchange value and cannot be measured in dollars (and thus don't contribute to profits), they are not acknowledged in accounting. When they are acknowledged, they are counted as costs to be minimized and disregarded. Flores and Sarandon bring ecological issues back into the accounting equation by assigning them ordinal values. For instance, high-toxicity pesticides are assigned 1; low-toxicity pesticides are 2; and no chemical pesticides are 3. No crop rotation is 1; scattered rotation is 2; planned, systematic rotation is 3. Growing less than 10 crops per year is 1; 10–15 crops is 2; more than 15 is 3. Using organic farming as an example, we can see how it receives a better total score than large-scale industrial farming. Therefore, to allow for other social and philosophical considerations than those in place under capitalism, different accounting systems must be devised.

Being concerned with the full well-being of people, cooperativism views environmental protection as an integral part of human health and well-being. Cooperativism also socially shares consumer goods, which reduces the depletion of resources for production. Because cooperativism does not produce for profit, it has no interest in maximizing the processing and adulteration of food and other products, which increase both energy use and pollution. Finally, cooperativism builds socially integrated, organic communities that integrate production, shopping, and residence, all with the added benefit of minimizing transportation costs.

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<sup>20</sup>C. Flores and S. Sarandon, "Limitations of Neoclassical Economics for Evaluating Sustainability of Agricultural Systems: Comparing Organic and Conventional Systems," *Journal of Sustainable Agriculture*, Vol. 24, 2004, pp. 77–91.

## Cooperativism and Politics

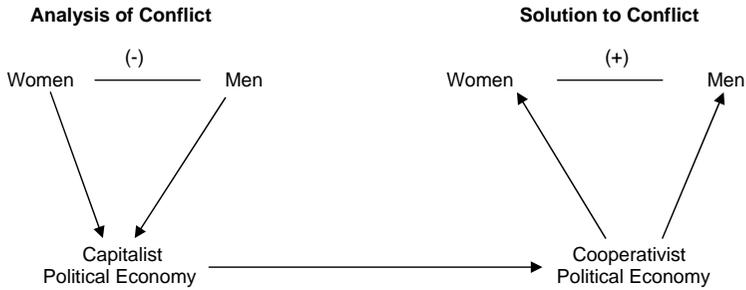
In order to move from capitalism to cooperativism, there must be a concerted and sustained effort. Cooperativism needs to be implemented through local organizations/enterprises and through national and international organizations that deliberately move from Level I to Level III cooperativism. Cooperative organizations must also lobby government agencies and elect representatives to government bodies to support co-ops as well as promote cooperativism in outside organizations that are looking for improved ways to design housing, agriculture, fishing, finance, and manufacturing.

The political focus must highlight and explain the deep structural problems of capitalism depicted in figure one and work to replace them with cooperativism. As such, Level I cooperativism is only a partial solution, because the dominant relations, i.e., the relations governing everything except the pooling of resources for a single common goal, remain rooted in the capitalist political economy of commodity production and class rule, which must still be transformed. In contrast, by always relating particular problems to the broader and deeper ones inherent in the capitalist system, there will be more opportunity for the base of allies to expand and bring together those who are directly affected by the various manifestations of these structural imbalances as individual threats, problems, and challenges. A clear understanding of the various individual problems as a systemic assault on the common good will encourage other sufferers to unite in opposing the common deeper causes of their problems.

One example of this is gender conflict. In a cooperative system, men and women would recognize that gender conflict results much more from pressures from the capitalist political economy than intrinsic differences between men and women. In that context, men and women could work together to understand these pressures and eliminate them by developing cooperative enterprises that would promote gender harmony. This is illustrated in figure 5.

The conventional approach to gender conflict and gender violence simply describes examples. It never attempts to explain this problem in terms of structural influences at the level of the political economy. This superficial, descriptive treatment of the conflict exacerbates it as inevitable and unresolvable and leads men and women to view each other with acrimony and suspicion. Individual issue analyses worsen the problem, because they do not examine or attack the root causes, which plague men as well as women. Single-issue oriented actions are ultimately conservative, because they exempt the political economy of capitalism from critique and transformation. The powers that be delight in seeing women blame men and trying to punish men as harshly as possible, because this personal focus diverts attention away from the root causes of the conflict, which reside in capitalism.

The politics of cooperativism emphasize that gender relations (and other single-issue oriented problems) can be improved through participating in cooperative social



**Figure 5.** Cooperative Analysis and Resolution of Gender Conflict.

relations in cooperative institutions. They cannot be improved through individual efforts to “be respectful,” “communicate,” etc. Social behavior requires a social basis.

### Cooperativism vs. Other Political Orientations

Because cooperativism analyzes the deep roots of social problems and transforms them, it is the most efficient solution to capitalism’s social and ecological problems. Other political approaches remain at more superficial levels of analysis and action, never move beyond the single-issue orientation, and thus never fully solve problems. In this sense they are not only inadequate, they are harmful, because they allow the root causes to persist and injure people. Of course many reformers are sincere. But their intentions are contradicted by the limitations of their political perspective. This needs to be clearly understood in order to overcome these limitations (which block cooperativism) and to draw these reformers to the cooperativist political orientation where they *can* realize their intentions.

Below are some non-cooperativist analyses and solutions along with explanations of how they differ from cooperativist, deep-structural analysis and change.

**1) Treating problems as separate and self-contained.** Each is attacked on its own without drawing connections with other problems. Pollution, poverty, conflict, militarization, economic crisis, and mental illness are treated in this way. Laws are passed to reduce pollution without consideration of altering the profit motive that encourages businesspeople to pollute. Poverty is addressed by raising the minimum wage without challenging the basic exploitive tendency of capitalism to cut costs by reducing wages. The economic crisis is dealt with by “stimulating” the economy by pouring money into existing corporate forms without attacking the corporate form itself. Mental illness and physical disease are treated by medication without considering the social conditions that cause these problems. Conflict is addressed by techniques of negotiation (“communication”) rather than examining the root causes of the conflict.

**2) Attributing social problems to individual causes,** such as individual short-sightedness. The current economic crisis is ascribed to *greedy* Wall St. bankers and

*crooked* money managers, such as Wall St. financier, Bernard Madoff. Neither liberals (such as Independent Vermont Senator Bernie Sanders) nor conservatives mention the drive for private, short-term profit that is at the core of the capitalist political economy, and which needs to be transformed in order to generate socially responsible business. Nor is there any mention of deeper economic conditions such as the fact that the U.S. economy has been stagnating for several decades. Debt and financial speculation are not caused by individuals' greed; rather the reverse is true: the short-term profit motive for private wealth makes managers greedy and desperate for profit any way they can get it.

Under conditions of economic stagnation, profits can either be generated through extending debt to stimulate manufacturing or through financial speculation on a range of commodities—both real commodities and those created merely for financial speculation. Both strategies have been employed with disastrous results. The out-of-control financial speculation became deeply imbedded in key sectors of the economy, created massive amounts of phantom wealth, a large amount of which has now disappeared.

Long-term stagnation of the capitalist economy is due to the exploitive nature of capitalism that pays workers less than the value of what they produce. This reduces their ability to buy products, which slows production. Now that debt and financialization have crashed as means for expanding the economy and profits, there are no other means available, because the capitalist political economy, due to its endemic problem of stagnation from overproduction, has no real place to grow.<sup>21</sup> This is the root political economic cause of the economic collapse. Therefore, it's not a matter of *stimulating* the existing economy but of *transforming* it. Stimulating the economy is analogous to jump starting your car battery when it runs down. This presumes that the car engine is functional and just needs a quick, temporary infusion of energy to continue on its way. However, if the engine is broken, stimulating the battery will not help. This is the case with the economy, which is fundamentally broken. Greed and corruption are only superficial consequences that serve to distract attention from the underlying problem and solution.

Another example of attributing social problems to individual weaknesses is economist and *New York Times* columnist Paul Krugman's statement about the causes of the Iraq war in an editorial in the Dec. 4, 2006 *New York Times*: "Americans are fighting and dying in Iraq for no reason." Krugman characterized the war as a mistake: Bush "made the mother of all mistakes."<sup>22</sup> Four days later, his analysis concluded the Iraq war was "a vast exercise in folly."<sup>23</sup> This is as intellectually bankrupt and morally reprehensible as claiming that slavery, or the

<sup>21</sup>John Bellamy Foster and Fred Magdoff, *The Great Financial Crisis: Causes and Consequences* (New York: Monthly Review Press, 2009).

<sup>22</sup>Paul Krugman, "Two More Years," *New York Times*, December 6, 2006.

<sup>23</sup>Paul Krugman, "First, Do Less Harm," *New York Times*, December 10, 2006.

extermination of the American Indians, or McCarthyism, or the rape of Nanking, or the Tiananmen massacre were mistakes and happened for no reason. These “analyses” fail to indict any political-economic principles that govern the respective societies and motivate leaders’ decision-making. The Iraq war was clearly motivated by geopolitical-economic ambitions to control sectors of the Middle East that had strategic geographical and economic importance. These ambitions, in turn, are due to requirements of the capitalist political economy to expand its control over resources in order to reduce costs of production and develop new consumer markets.

**3) Attacking social problems through individual solutions.** This approach typically has two manifestations:

**a) Helpful treatments for individuals.** For example, treat disease with pharmaceutical drugs, or curtail disease through inoculation or individual eating habits. Treat social psychological disorders through individual therapy. Little emphasis is placed on preventive action like eliminating social-environmental causes of disease, such as pollution, or social stressors, such as alienation at the societal level.

**b) Attack the perpetrators of problems rather than the social causes** such as economic requirements and principles. Laws are passed prohibiting individual polluters, discriminators, abusers, and thieves from engaging in undesirable behaviors, and if they persist, they may—depending on the kind of crime and their social class, which contributes greatly to their ability to legally defend themselves—be severely punished. Individuals are physically isolated from public life, which is left intact. Incarceration physically objectifies blaming the individual for misbehavior, because it demonstrates the notion that the individual is deficient and unfit to live in normal society.

**4) Abstract demands for directly and immediately abolishing bad conditions.** For example, “abolish prisons,” “end war,” “end poverty,” “grow the economy,” “end violence against women.” Concrete proposals are not offered in this strategy nor are proposals for reforming underlying conditions.

**5) Focus on extreme forms of problems rather than their core, extensive features.** For instance, illegal forms of torture are opposed, but widespread, normative, legal forms of spying and detention are not. Another example is the death penalty, which affects very few individuals. It is opposed, but no outcry is raised against the normative imprisonment of millions of people. Yet another is violent crime, which is targeted, while the environmental causes of respiratory disease, which kills millions more people than violent crime does, are neglected. Extreme problems seem worse than normative problems, because they are more violent and dramatic, however they actually affect far fewer people. For this reason, normative problems cause much more harm than extreme ones.

**6) Demands for civil rights or equal opportunities and legal protections.** This is certainly an important demand, however it does not challenge the fundamental exploitation of the capitalist political economy. Civil rights only allow everyone to participate within the laws of capitalism. But the laws of capitalism produce inequality, because they legalize a small ruling class owning and controlling the means of production, which disenfranchises the majority of the population. Civil rights do nothing to transform this; they simply equalize exploitation. Without civil rights, black workers will be exploited more than whites; with civil rights they will be exploited to the same degree. Civil rights under capitalism do not give black workers control over their working conditions or job security. Nor do civil rights guarantee them a house to live in, a livable wage, health insurance, or old age security. Civil rights do not protect blacks from pollution, or war, or exploitation, or unemployment. Of course equal exploitation is better than unequal exploitation where blacks were exploited more than whites. However, civil rights do not address exploitation in general, only surplus exploitation. In this sense, civil rights is an example of attacking extreme problems while ignoring normative problems.

Discrimination is defined as an affront to gender, age, sexual orientation, or racial background, but it never includes social class. Managers can exclude workers from any management meeting, decision-making, or executive privileges with no reprobation that they have discriminated against working-class people. Capitalists may (theoretically) have to pay women workers as much as male workers, however, they are free to pay all workers a fraction of executive pay. Anti-discrimination laws never infringe on class discrimination, which is the basis of the capitalist political economy. Instead they attack the extreme problem of surplus discrimination but not the normative discrimination of working-class people from executive decisions, privileges and lifestyles.

**7) Solving social problems primarily, if not entirely, through technical solutions** such as green energy, green transportation, organic food production, and medicine and proposals to reduce the size of social spaces to smaller local enterprises from national or transnational bodies and interactions. No changes are proposed in the social relations of who owns and controls resources and the principles of production and distribution. Inequitable ownership and control will always retard technical changes, and these relations need to be transformed in order to clear the way for the wide use of such technical advances.

**8) Regard social problems as having abstract causes and solutions.** For example, pollution is a “man-made” problem. “Humans” have caused global warming. No specification of which humans are primarily responsible. “We’re all humans and we’re all in this together, and we must work together to solve our common problems.” Carried out to its logical conclusion, this fuzzy analysis could include such preposterous notions as the management of Exxon-Mobil is going to work with ecosocialists to craft energy policies.

Another abstract formulation is liberation psychology. It seeks to help oppressed people “develop modes of control over their lives.” What does it mean to control their lives? What is the form and content of this control? Does it mean local people telling school boards to ban sex education or evolution in classrooms? This would fall within the rubric of local people controlling their educational system. The terms of the solution are so abstract and nebulous that they offer no concrete direction that can solve problems.

Another abstract proposal for liberation is communication, contact, or diversity. The assumption is that if people simply communicate openly and have contact with each other, they will somehow naturally come to respect each other and live well together. Diversity is part of this program, for it emphasizes the coming together of diverse groups. However, there is no content to this communication and contact. There is no politics, no particular socioeconomic relations that are specified (or even hypothesized) to draw people together in a cooperative undertaking. Therefore, mere abstract communication, contact, and diversity will not solve any problems, because people will continue to rely on the established values and practices that they have learned under capitalism. Diversity includes such notorious figures as Condoleezza Rice and Clarence Thomas, who would not promote social change. While acknowledging that diverse culture is valuable and must be respected, cultural practices such as language, songs, food, myths, and marriage customs are not sufficient in themselves to overcome the deep political economic problems we now face.

Diversity can have a negative tendency to *fragment and divide* people rather than bring them together. For each group in diversity often privileges its own self interest. Each group wants to “do their thing,” practice their own customs, take pride in them, and demand that others respect their right to be autonomous. Women push for their self-interest, blacks for theirs, gays for theirs, handicapped for theirs. Each group demands autonomy from others rather than unity. Groups often derogate outsiders as incapable of understanding them, and often deride outsiders who comment on “their” issues. This insulates groups from each other, and from outside scrutiny and correction. There is little emphasis on communal, collective, cooperative behavior that unites with other groups.

Group members regard their group as a unified whole. They do not recognize class differences that fracture this unity and actually make some members of the group the exploiters of other members. Upper-class women CEOs exploit women workers (and male workers) just as male CEOs do. To regard “women” as a coherent group is to mask the class differences that divide it. The same is true for ethnic groups. The different political orientation of emphasizing identity versus emphasizing class is diagrammed in figure six. It depicts three kinds of identity transected by three classes.

In identity politics, being a woman, for example, is more salient than the class of the woman. All women have something in common, according to identity politics. It

Ethnicity	Sexual Orientation	Gender
Upper Class	Upper Class	
Middle Class	Middle Class	
Working Class	Working Class	

**Figure 6.** Class vs. Identity.

does not matter if a woman is a queen or homeless. The same is true for other identities. Identity politics displaces class from consideration under the fiction that identity groups are homogeneous. Ignoring class allows upper-class women, blacks, and homosexuals to surreptitiously maintain their exploitation of the populace. This is the danger of idolizing Obama because he is black, and not guarding against his (reborn) capitalist politics.

Identity politics *separates* identities from each other. Each identifies with members of its own identity in opposition to other identities. Women seek liberation from men, blacks from whites, gays from heterosexuals. Each explains its problems as springing from characteristics of its “counterpart” group—e.g., masculinity, homophobia, racism.<sup>24</sup> Identity politics construes a large percentage of the population as the adversary. Struggling against men, whites, or heterosexuals prevents establishing a society based upon cooperative social relations. Identity politics also ignores political economy and leaves this pivotal cause of social problems intact.

A class analysis, in contrast, emphasizes class distinctions in all groups. Working-class and middle-class women, men, gays, and blacks are oppressed by upper-class members who can be women, black, or homosexual. A class analysis unifies diverse identities around their common problems within their common class. A class analysis and movement emphasizes that the diverse oppressions suffered by diverse groups (including the middle class and working class) are really forms (appearances in Hegel’s and Marx’s sense) of a common exploitation organized by the dominance of the capitalist class.

An example of how identity politics can contradict (is orthogonal to) class politics involves a female manager at the co-op where I was vice president. She was autocratic, arbitrary, and abusive toward employees. Several of them retaliated by defacing her photo, which was displayed on a wall of the store. Several female employees and managers misrepresented this act as a sexist attack on a woman—privileging her female identity over her class position as manager—when, in fact, it

<sup>24</sup>Marx’s *On The Jewish Question* remains the most incisive critique of the politics of self-interest.

was a class-based retaliation on an abusive manager. This mistaken framework led these women to reprimand the employees and defend the manager, when they should have sympathized with the workers and chastised the manager for her abuse of them. This feminist outlook (which is not true of all forms of feminism) converted the class oppressor into the oppressed victim of sexism and the oppressed workers into sexist oppressors; it displaced the class issue with an invented sexism. This demonstrates how identity politics (which takes the form of feminism here) can contradict class politics and be a conservative, rather than a progressive, force.

*A class analysis involves cooperativism, because it unifies all the members of the "working class" together (over 80 percent of the population) in a common struggle against a common foe (a small fraction of the population). A class analysis and politics increases solidarity among the population compared to its present fragmented state. A class analysis and political movement opposes essential elements of capitalism (fragmentation, competition, self-interest), while identity politics recapitulates divisiveness, competition, and self-interest, and prevents men and women from working together to develop cooperativism as a mode of production.*

**9) Using elements of capitalism to reform other, harmful elements of capitalism.** I call this strategy "romantic," because it presumes that certain elements of capitalism are outside of and free of the harmful elements and can negate the latter. This strategy holds that if people simply rally to the positive elements of capitalism, they will overwhelm the negative ones, and the latter will simply fade into oblivion. It is not necessary to analyze the political economy of capitalism, nor is it necessary to take concerted action to transform it into a cooperative social base. All that's necessary is to appropriate one of the existing positive elements of capitalism and ride it, as it stands, for it is already liberated.

This strategy takes three forms:

**a) Use elements of the capitalist economy to solve economic problems.** This includes using tax rates, accounting procedures, minimum wage rates, the prime interest rate, and government bailouts to solve economic problems. No changes are proposed in the social relations of capitalism regarding the ownership and control of enterprises or the principles of production and distribution.

**b) Expand democracy.** Democracy is touted as a central principle of capitalism, and it should be expanded to solve social problems such as exploitation and alienation. Bourgeois democracy can be used to counter capitalist exploitation and alienation.

This is certainly a worthy ideal that can generate improvement in social life. However, its limits must be exposed. The main problem with democracy in the abstract is that democracy is a process, not an analysis or a program. It is contentless. Formal economic democracy is merely a general process of decision-making. It does not specify a particular form of socioeconomic organization. Therefore it does not

necessarily lead to cooperativism. Voters may cast ballots for simple commodity production or for a centralized, hierarchical management which, in fact, does not practice democratic management with the employees. In this case, formal democracy can lead to *undemocratic* institutions. Similarly, voters can vote to support locally owned commodity production and exchange, or Level I cooperativism, which, we have seen, inhibits genuine economic democracy.

Bourgeois democracy is simply a formal right that is practiced once every few years or so through casting ballots. Thus it is far from genuine democracy. It is alienated democracy that presupposes and maintains individual separateness.

Democracy depends more upon the content of what people vote for than it does upon the act/process of voting. There must be a content to democracy, not simply a formal process. Cooperativism is this content.

Democracy is only realized within particular social relations, for example, as part of the process of collective, cooperative practice. Cooperativism entails democracy in the process of a collective deciding on production and distribution issues. Democracy is not an abstract process that solves problems on its own, and for this reason, democracy within the context of cooperativism is far more democratic than formal, alienated democracy. Cooperativism is the basis of democracy more than democracy is the basis of cooperativism. Therefore, *cooperativism is a stronger political platform than democracy is for achieving real social change and human fulfillment*. "Democracy" is not a fruitful platform for achieving cooperativism, because it contains a bourgeois character that supports capitalism. A radically new, collective content must be imparted to democracy before it can a) promote cooperativism, b) challenge capitalism, and c) be fully realized as true democracy.

Democracy is not a fixed, homogeneous, singular, universal variable that humanizes society and emancipates and fulfills people by itself. Democracy takes different concrete forms in different modes of production. It perpetuates alienation in capitalism, and it must be reworked as much as socioeconomic relations in order to be realized in a higher, cooperativist form that promotes (and reflects) cooperative society.

Cooperativism is a new and higher form of democracy. It is democratic in the organic sense that resources and enterprises belong to people in common. (Formal democracy is ownership as separate, alienated individuals.) Collective ownership of property entails collective decision-making and collective use. Democracy is inherent in the form of ownership and use of collective property. Individuals decide how to use collective property in their common activities with it. Democracy comes from being equally and collectively *engaged* in an activity.

The limitations of bourgeois democracy are manifested in cooperatives as they typically exist today. From my experience as a director for nine years of California's

largest food co-op, I can attest that democracy as practiced by co-op members (who vote for directors) does not promote cooperation or cooperativism. Though co-op democracy is touted as an avenue for people to express themselves as individuals, which they cannot do in commercial businesses, the emphasis is on self-expression rather than interdependence and collectivism. Members vote and shop as individuals, not as members of a collective. Members often vote for a candidate, because she is young and attractive, because she is a mother, or a lesbian, or any number of other reasons that have nothing to do with running a co-op. Co-op elections are as alienated as political elections: members know virtually nothing about the candidates, while candidates are separate individuals who do not represent the membership and usually know little about the co-op they are running to direct. Nor do elections draw members into active participation in the institution. On the contrary, individualistic elections promote the individualistic illusion that one has expressed oneself on the ballot, so there is no need or interest to actively join collective activity, which is burdensome to the individualistic ethos.

Co-ops fail to promote cooperativism, because they do not understand cooperative economics and the social philosophy that I have outlined above nor promote collective activity.<sup>25</sup> Members of consumer co-ops do not pool their resources to provide for the collective good. The only money they contribute to the co-op is the membership fee, a trivial amount, often \$25. Additional investments, such as loans, remain their individual property and are returned with interest to the individual lender. Patronage dividends further reward the individual for the amount of money he or she spends. In both cases, rewards for participating in the co-op accrue to separate individuals on the basis of their wealth. This is the same philosophy that dominates conservative tax cuts—namely, return money to individuals rather than use it for the society. No wonder members feel little collective identity. Co-ops fail to reach Level I cooperativism. Financial resources and rewards are not pooled to produce a large benefit for the membership as a group, regardless of individual wealth. Groups benefits would have an equalizing, collectivizing tendency, as opposed to individual benefits that have a fragmenting, unequalizing tendency.

Co-op leaders and members have an economic focus on providing and receiving goods—cheap housing and organic food, for example. They neglect cooperativist philosophy, economics, social relations, and psychology. The American cooperative movement, for example, has no theoretical journal where co-op philosophy,

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<sup>25</sup>One specific example of the failure to adequately promote cooperativism is a housing co-op in Italy that I visited in February 2009. This co-op builds apartments for members, who pay a below-market-value price, which is possible because the co-op takes a lower-than-normal profit margin. While this should draw members into a close identification with the co-op, the co-op's policy undermines this identification. That's because a family can become a co-op member three months *after* purchasing a unit and can resign from membership anytime thereafter and keep the apartment, which becomes the family's private property. The family can sell it on the open market and earn as much profit as it can, which in this case is more than a family could profit from a free-market apartment, because of the ability to buy the apartments below market price. Instead of promoting cohesion within the collective, these policies discourage it.

economics, history, and vision can be discussed. Co-ops must exercise leadership in developing cooperativist political economy, social relations, and psychology. Co-ops must be *cooperativizing agents*.

**c) Romantic liberation, or romanticizing the liberatory consciousness of existing groups.** Romantic liberation assumes that certain groups within oppressive society have avoided negative effects of capitalism and have achieved a “high level of consciousness” due to their marginal status, which makes them more cognizant of oppression and solutions. For instance, some feminists claim that women’s social position has cultivated a deeper social concern and emotionality in women than in men. This claim of superiority exists within capitalist society as it presently exists. Women do not have to struggle to achieve a greater social concern for people and deeper emotionality; they already have it by virtue of being women in capitalism.

Similarly, blacks and gays are deemed to have greater insight into oppression and ways to overcome it than whites, males, and heterosexuals who are less oppressed. Marginalized people are credited with already possessing these understandings within oppressive society. By this reasoning, marginalized people should be the leaders of social movements because of their superior insights.

These claims about identity politics are romantic, because they claim that group membership within capitalism has transcended capitalism. Therefore, there is no need to critique or transform capitalism; we can simply follow marginalized, liberated groups to fulfillment.

These claims are fallacious, because they underestimate the oppressed and oppressive mentality of marginalized groups. Blacks commit more violence against other blacks than whites do. Women are as capable of acting cruelly toward men and toward other women as men are. Contemporary mothers abuse and abandon their children as much as men do (simply in different ways). Women are complicit in commodifying their bodies, self-concept, happiness, self-confidence, beauty, sexuality, and popularity by defining and experiencing these in terms of consumer products. Women have not created a capitalist-free zone of liberated subjectivity that intuitively knows the answers to our social problems. Women in slave-holding families in the antebellum South taught their children racism, supported their husbands’ slave-holding, and demanded blacks be lynched for violating “racial etiquette.” Nazi women taught their children to be Nazis and supported their Nazi husbands.

Oppression encompasses subjectivity. It is not confined to external economic and political restrictions. Oppression also requires internal psychological compliance to function effectively. This is particularly true of capitalist exploitation, which depends on psychological mystification and acceptance more than any other class society. Subjectivity under capitalism is co-opted by the ubiquitous intrusion of capitalist products into every moment of our lives (other societies provided more free

space outside the exploitive social relations). It is particularly illusory to believe that large sectors of the population have spontaneously and individually freed themselves from capitalist co-optation and mystification. Truly challenging capitalist values and practices requires tremendous intellectual study and social organization.

These caveats apply to working-class experience. It is erroneous to glorify the working class as agents of social reform simply because they experience exploitation directly and intensely. Mere experience with exploitation is no assurance that workers understand its causes or solutions. When Marx spoke of a working-class perspective as the guide for social change, he was not referring to contemporary outlooks by workers as comprising such a guide. He was referring to an objective, theoretical perspective that had workers' interests at its core. It was a perspective that comprehended the political economic basis of the exploitation of workers and the need for a new socialist political economy that would solve this problem. The Marxist perspective is working-class in that it takes working-class oppression as its target of analysis and solution. For the oppression of workers is the core of capitalism's problems and evils. The working-class perspective is not the subjective opinions of contemporary workers. For subjective, naïve experience is no guide to understanding, explanation, or solution. Workers have to learn Marx's complex analysis of capitalism and socialism; they do not have this deep understanding simply by virtue of being oppressed. We may say that *the working-class perspective is not the perspective of the working class* as currently constituted.

Romantic liberation romanticizes the revolutionary potential of existing groups and thereby neglects truly revolutionary strategies directed at transforming the political economic base of capitalism.

Existing elements of capitalism are incapable of transforming it, because they embody its political economic character. While certain elements are more positive than others, they continue to be elements *of capitalism*. Democracy, diversity, civil rights, and group identity therefore cannot be embraced as they stand. They must be transformed in accordance with cooperativist principles in order to be realized. Cooperativism realizes them; they do not realize cooperativism. Cooperativism must be the program that informs our politics.