

Worker Co-Operatives for the 21st Century

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Co-Operative Struggles: Work Conflicts in Argentina's New Worker Co-Operatives, by Denise Kasparian. Leiden; Boston, MA: Brill, 2022. 248pp. \$207.00. ISBN: 9789004468641.

In his 1957 book *Mythologies*, French philosopher Roland Barthes explains the crucial role of myths in the formation of public opinion. What people consider to be common sense is not rooted in natural facts but is the product of the laborious creation and diffusion of fixed tropes in public discourse. People need these refrains to give consistency and stability to a chaotic and ever-changing world. Myths provide reassuring narratives that allow people to successfully navigate their social environment. They make the contingent and contestable appear natural and self-evident. For Barthes, myths are the rock-solid basis for the vivacious flows of social interaction. Barthes himself focuses on consumer myths, but the same applies to the realm of work. People relate to developments in the capitalist sphere of production via particular myths that make the world of work sensible. Examples of such mythic tropes today are “competitive markets are always more efficient than public bureaucracies”, “automation will soon render human labor obsolete,” or “algorithmic management neutralizes human biases about race or gender at work.” None of these statements are necessarily true or false across the board. They are rather hypostasized generalizations that transform contingent and local realities into eternal truths. They provide soothing yet simplified narratives to understand the world of work and its future.

One part of the labor market particularly enveloped in myth is the co-operative sector. Over the centuries, many commonplaces have formed that do not necessarily reflect the everyday realities of co-operative governance. Both supporters and critics often represent reified notions of how co-operatives are created, governed, and undone. This is not wrong in itself; myths offer crucial guidelines for political action. Myths have the force to mobilize people for or against political initiatives and they provide helpful prisms to reveal political opportunities otherwise invisible. Once in a while, however, it is necessary to confront myths with actual reality to test their enduring usefulness. The social world is subject to change, so previously well-performing abstractions of reality are not necessarily helpful today. The myths about co-operative governance formed in the 19th and 20th centuries in Western Europe do not automatically apply in other places of the world or to the 21st century.

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Denise Kasparian's *Co-operative Struggles* provides an in-depth study of two worker co-operatives in the Buenos Aires area today to reveal how co-operatives emerge, are governed, and disappear. She successfully confronts people's implicit assumptions about co-operatives with observations from everyday realities of working in Argentinian worker co-operatives in the 2000s and 2010s. Her research thereby puts several dominant myths about the co-operative economy into perspective. During these decades, there was a boom in worker co-operatives in Argentina thanks to a combination of successful workers' struggles and new co-operative-friendly legislation. Her first example is a hotel company that went bankrupt and was subsequently recuperated by workers and adapted into a co-operative business. Through the sustained occupation of the hotel, workers took possession of the building as a recuperated business, but afterward, a difficult process commenced of reconciling the financial and social tensions involved in managing a profitable yet self-managing co-operative. Her second case study is an unemployed workers' organization in a poor and environmentally degraded neighborhood in the greater Buenos Aires area. Through the Argentina Works Program, the municipal government and social organizations collaborated with local unemployed women to form a worker co-operative that focuses on local improvement works, like cleaning up the polluted river that flows through the neighborhood.

In the first two chapters, Kasparian tracks the socio-political and economic circumstances that have led to the worker co-operative boom and the emergence of these two co-operatives specifically. She argues that changes in the economic and social power balances after the economic crisis of 2001–2002 fostered a political opportunity structure particularly suitable to the formation of worker co-operatives. The latter became culturally accepted after legal reforms facilitated the establishment of worker co-operatives. This process culminated in 2011 with president Cristina Fernández de Kirchner proclaiming, 'for me, Argentina is one big, recuperated factory' (p. 36). During her presidency, the reform of social policies that led to the Argentina Works Program was also implemented. The *pièce de résistance* of Kasparian's book is, however, the later chapters (3 to 7) that deal with workplace conflicts in worker co-operatives. Kasparian carefully tracks the evolution of these co-operatives to disclose the emergence of not only conflicts between the co-operatives and external agencies but also among the workers themselves. These lead her to ultimately formulate a theory of social unrest in worker co-operatives (pp. 214–222). She argues that the democratization of the workplace unavoidably entails the democratization of conflict as well. While in capitalist firms conflict is usually structured along the antagonism between capital and labor, the co-operative institutional form reconfigures the fault lines along more horizontal lines. As Kasparian phrases her own project, "my research seeks to create the tools to find causes and regularities in the struggles of workers without bosses" (p. 214). Kasparian's theory of unrest shines best when her attention to detail allows to dispel some obstructive myths about co-operative governance. I would like to mention two myths supportive of co-operativism and two critical myths that Kasparian's book puts into question.

Co-Operatives as Harmonious Collaborative Projects

Some supporters present co-operatives as utopian communities of mutual aid. Individuals would allegedly collaborate spontaneously with external capitalist pressures as their only adversaries (e.g. Ranis, 2016). All internal disputes and hierarchies would presumably have naturally disappeared. Co-operatives are presented as a prefiguration of some ultimate reconciliation of the individual and the collective. Anyone who has ever attended an assembly meeting knows this to be a romantic phantasy. Kasparian rightly argues that co-operative institutions do not overcome social conflict but simply give it a new form. In the recuperated hotel business, for instance, the transformation into a co-operative has implied that the function of management has been democratized, which

simultaneously exposes managerial decisions to political contestation. Business strategy becomes an open field of disputes exposed to opposing interests and aspirations. In this case, Kasparian emphasizes that long-standing members tend to accumulate symbolic capital and control over the organizational process, which disadvantages later generational cohorts. Inequalities emerge as so-called “founder members” hoard opportunities, while younger members have less influence over decision-making processes. In the unemployed workers’ organization, on the other hand, bureaucratic oversight and dependency on State funds creates tensions between the workers, who desire to organize autonomously, and government officials, who try to control the labor process from a distance. These tensions have to be carefully negotiated to avoid open conflict. Moreover, workers also fight among themselves over the purpose of the co-operative and remuneration issues.

Worker co-operatives are, in other words, not utopian spaces of human togetherness and mutual aid. The coordination of labor is a messy process ridden with conflicts. Facing outward, worker co-operatives are institutionally embedded in social fields structured by power relations in which they have to maintain a viable foothold. They have to carefully curate their relations to the State, capitalist markets, other social organizations, and so on. Facing inward, unequal power relations and intensive conflict influence business decisions. The point of worker co-operatives is hence not to “abolish power”—whatever that may mean—or instigate a utopia of work but to reconfigure social tensions according to workers’ interests. If political conflicts are an inevitable aspect of the human condition, it is better to ensure that they are staged in worker’s favor. Co-operatives are institutions that help to empower workers who would otherwise be excluded from social integration under neoliberal capitalism. This makes the worker co-operative an institutional form strategically useful for working-class hegemony in the realm of work.

Democratizing Work

A second myth prominent among supports of co-operativism is that the purpose of all co-operatives is the democratization of the workplace. They link the co-operative form to a particular worker identity interested in democratic participation, common social ownership, and spontaneous anti-capitalist cooperation. Kasparian shows that, in Argentina, co-operatives are rarely established with these goals or values in mind. Although workplace democratization is a side-effect of workers’ collective action, the more immediate concern is usually job protection. Especially in the case of recuperated enterprises, workers are primarily worried about keeping their jobs, and the establishment of a co-operative is only a means to this end. Kasparian calls this process “adaptive co-operativism” (p. 96): Workers democratize the firm by establishing a co-operative insofar as they adapt to external pressures, like legal imperatives and financial needs. Co-operativism is then not the explicit aim of enterprise recuperation but an adaptive outcome. In the unemployed workers’ organization case, on the other hand, the primary aim is for unemployed women to meet the work requirement embedded in social workfare policies. According to Argentinian social security law, they must prove to be engaged in formally recognized work activities in order to access social support services. The Argentina Works Program resignifies this work requirement to encourage unemployed individuals to establish co-operatives as a form of job creation. Here, worker co-operatives are not the result of adaptation but of ‘forced associativity’ (p. 96). Legal interventions specifically impose the co-operative form on unemployed workers.

In both instances, worker co-operatives are not the product of a voluntary democratization process, which explains why the co-operative sector itself was initially not very welcoming to these newly formed worker co-operatives. The latter stems from what Kasparian calls—with a nod to E.P. Thompson’s (1971) seminal study on “The Moral Economy of the English Crowd in the Eighteenth Century”—a “moral economy of work” (p. 14). While Thompson focuses on

working-class expectations regarding just bread prices, Kasparian expands the concept to talk about working-class job expectations. Ordinary people have an everyday morality about labor conditions and the kind of jobs that should be accessible to them. Neoliberal labor market deregulation and the dismantling of the Argentinian welfare State have, however, consistently thwarted these expectations, leading to social struggles and revolts. In order to retain social peace, governments must reform social policies and labor regulations. In the last few decades, labor markets have become increasingly dislodged from the working population's moral economy of work. Facilitating the creation of worker co-operatives has proven a successful way to reconcile people's moral economy of work with capitalist economic developments.

The Luxemburg Objection

Marxists tend to be rather critical of non-revolutionary worker co-operatives. They often argue that genuine liberation from capitalist pressures is impossible in worker co-operatives because the latter is still forced to compete with privately managed firms. Co-operatives are hence put for a choice to either uphold their foundational democratic principles and be outcompeted by more ruthless companies or abandon their principles in the name of capitalist survival. Rosa Luxemburg (1999) famously voiced this criticism in her *Reform or Revolution*, writing that workers "are obliged to play the role of capitalist entrepreneur toward themselves – a contradiction that accounts for the usual failure of cooperatives in production, which either become pure capitalist enterprises or, if the workers' interests continue to predominate, end by dissolving." Kasparian shows this objection to be based on an excessively narrow conception of a firm's sustainability. The Marxist approach reduces the latter to economic sustainability, meaning the viability of a business as a profit-seeking enterprise within capitalist competitive markets. Under these strict conditions, worker co-operatives allegedly tend not to be successful businesses. However, Kasparian notes that the goal of these worker co-operatives is not capitalist profitability but the reproduction of workers' form of life according to their moral economy of work. The co-operative is a means to sustain the working lives that conform to people's moral expectations. The unemployed workers' organization is, for instance, geared toward the production of use-values for the local community, like cleaning a polluted riverbed, and the accumulation of political capital for all instances involved. Profitability or competitiveness are not central concerns to the participating members. Even co-operatives more strictly linked to capitalist market competition, like the recuperated hotel, are not entirely dependent on market exchange. They simultaneously engage in non-market liaisons with, for instance, other co-operatives to render their working conditions sustainable. In this way, co-operatives can acquire relative autonomy from capitalist pressures to compete and acquire profit.

The Iron Law of Oligarchy

Pessimists about the prospects of co-operativism argue, second, that workplace democratization is an illusory project because power inevitably concentrates at the top despite people's best intentions. Kasparian mentions French political philosopher Pierre Rosanvallon as one of these critics (p. 126). This approach applies Robert Michels' iron law of oligarchy to worker co-operatives: genuine democratization is impossible because all organizations, despite their initial egalitarianism, naturally develop oligarchic tendencies. Kasparian finds some proof of this prediction, for instance, when she studies the timeline of the recuperated enterprise. Though the hotel started with an "equal pay for all" policy, hierarchical differentiations gradually emerged both in terms of decision-making competences and remuneration. Founder members leveraged their reputation to acquire positions of power and install a system of wage bonuses that particularly benefited them.

This observation seems to confirm the Michelsian suspicion that egalitarianism is never made to last. However, reality is too complex to fit into such unilinear narratives. While there are hierarchical tendencies in worker co-operatives, there are also democratizing countertendencies. In the recuperated enterprise, for instance, Kasparian notes that established members might hoard opportunities but that their higher status also comes with greater responsibilities and more vulnerability to co-workers' opposition if they fail to meet moral standards. She documents cases of "founder members" (*socios fundadores*) that mismanaged the business or embezzled funds, who were subsequently excluded from the company and scolded as "founderer members" (*socios fundidores*) (p. 189). Those who betray co-members' trust are quickly shunned, which puts a brake on the tendency toward oligarchy. Rather than accepting the iron law of oligarchy at face value, Kasparian describes a process of oligarchic and democratizing tendencies working in tandem to structure the co-operative as an unstable field of unresolvable tensions.

Andreas Kalyvas' model of radical democracy offers helpful theoretical support to Kasparian's observations. Most theorists of liberal democracy advocate procedural systems that facilitate the civil exchange of ideas in a public debate. Conflict is presumed to be replaced with rational consensus-making. Popular uprisings or passionate critique of elites are hence *a priori* considered to be antidemocratic. They contradict the liberal aspiration for consensus-driven rational decision-making. Kalyvas disagrees with this sanitized depiction of the democratic process and moves to a theory of democratic unrest akin to Kasparian's theory of co-operative social unrest, though with an emphasis on violent manifestations of popular politics absent in small-scale co-operatives. Kalyvas (2008: 6) argues that extraordinary moments of revolt and contestation are crucial to the vitality of a democratic polity. In normal times, Kalyvas claims, political orders tend to favor elites and rigidly hierarchical institutional structures. Normal politics is, however, punctuated by extraordinary moments of popular revolt, like general strikes, riots, or demonstrations. According to Kalyvas, the latter expresses a form of extra-institutional popular sovereignty that can never be fully captured in liberal democratic procedures. These moments undermine fixed hierarchies and introduce democratic tendencies into political government. In extraordinary times, the people successfully force governmental elites to relinquish some of their privileges. Kalyvas ultimately calls for a political system that allows for such extraordinary moments and that actively sustains spaces for popular contestation. Thusly, oligarchic tendencies are constantly held in check by democratizing forces. Although Kasparian never refers to Kalyvas, her description of hierarchy and democracy in worker co-operatives moves in a similar direction. Social unrest in the co-operative originates in a perpetual struggle between elitist control and collective self-management.

Expanding the theory of co-operative governance

In sum, Kasparian's book is a helpful resource to reconceptualize the operativity of worker co-operatives beyond the political myths that surround the co-operative sector. She successfully puts aside not only the romanticized visions of co-operatives as prefigurative utopias of work, but also the excessively pessimistic criticisms of Marxists and authoritarians. The most important downside of the book is, however, that it does not fully deliver on its promise to provide a general framework for the study and governance of worker co-operatives (pp. 16–17). One finishes the book with a model of social unrest in worker co-operatives but one is also left with many questions unanswered. What do Kasparian's findings about social unrest in the co-operative teach us about co-operative governance in general? For which social, political, and economic changes must workers outside Argentina struggle in order to create similar political opportunity structures? What procedures must be secured in order to keep social conflict within a manageable

scope? Can Kasparian's answers to the critics of co-operativism be used for other economic sectors? What new myths must be constructed to encourage the democratization of work or the formation of worker co-operatives?

One realm where these questions are particularly urgent is the digital gig economy, i.e. the realm of platform businesses that offer micro-work to disenfranchised workers through apps, like Uber, Deliveroo, and TaskRabbit. Kasparian herself is involved in the Platform Cooperativism Consortium, a New York-based institution founded by, among others, Trebor Scholz. It promotes the establishment of co-operative digital platforms to counter the exploitation of the workforce by privately-owned platforms. The platform co-operative movement tries to assist platform workers across the globe to set up their own non-capitalist businesses. According to Scholz (2017: 170), 'for more and more people capitalism is no longer working out. So let's think about how the Internet could be owned and governed differently and how solidarity could be strengthened in the process'. One example of a successful platform co-operative is CoopCycle (Acosta Alvarado et al., 2021). It is a global federation of co-operative food delivery platforms started in France after the Nuits Debout protests of 2015, a radical-democratic movement that called for, among others, the democratization of work. CoopCycle implements these values by putting food couriers in charge of their own food delivery apps and now has member organizations in cities across the world. Another successful case is Enspiral in New Zealand, a network of cooperative platforms that emerged from the New Zealand Occupy Wall Street faction (Pazaitis et al., 2017). It started with a single freelance computer specialist, but it quickly grew into an ecosystem of digital cooperatives that contains a freelance accounting platform (Enspiral Accounting), open-access decision-making software development (Loomio), a web development school (Dev Academy), and so on.

The same supportive and critical myths that Kasparian dispels for Argentinian worker co-operatives circulate in discourse about platform co-operativism. Supporters tend to romanticize co-operative collaboration and the extent to which digital platforms can be tools for democratic self-government. In the case of CoopCycle, for instance, one can wonder how democratic a food delivery app can truly be for couriers who lack the relevant IT-skills to curate digital algorithms. CoopCycle offers help from IT-experts to local projects and consults with workers to write the app's software, but workers still have to rely on the benevolent expertise of software consultants to make their worker co-operative operational. Supporters of platform co-operativism consequently argue that workers should be enabled to access web development education to mitigate this epistemic inequality (Pazaitis et al., 2017: 7; Schneider, 2018: 331; Scholz, 2017: 191). Enspiral, for instance, has a member organization called 'Dev Academy' that provides digital education services. However, as of yet there are no major studies about the hierarchies and conflicts between IT-experts and workers in platform co-operatives.

On the critical side as well, myths proliferate. Marisol Sandoval (2019) has reformulated the Luxemburg objection, for instance, as a critique of platform co-operativism. She argues that co-operative platforms can never compete with privately owned platforms because they would be forced to adopt the same exploitative and extractive habits as their capitalist counterparts. The latter profit from so-called 'network effects', that is the more people use a particular platform, the more valuable this platform becomes, and the costlier alternatives are for consumers (Srnicke, 2017: 45). If all restaurants and costumers use Deliveroo as their principal food delivery app, it makes little sense for workers or consumers to download the app for a co-operative alternative, like CoopCycle's. The latter would have to outcompete Deliveroo at its own game, which requires the co-operative to impose the same exploitative working conditions on couriers as Deliveroo. Responses have been formulated to this problem, like James Muldoon's (2022: 104–105) proposal for public-common partnerships. He argues that financial and legislative support from municipal

governments in favor of co-operatives can make a crucial difference. Governments would then invest in co-operative platforms to keep them financially afloat for as long as privately-owned platforms retain their monopoly on consumer markets. This process would allow worker co-operatives to gradually displace privately-owned platforms. Yet the viability of these proposals in specific cases is still to be researched with the same level of detail as Kasparian's study.

In sum, research into the everyday governance of worker co-operatives is still in its infancy. Most commentaries about the co-operative sector remain on the level of myth. This is not necessarily a problem: Myths are crucial hermeneutic tools for our complex social world, and they are helpful forces of political mobilization. Nonetheless, myths have to be combined with sociological research into the details of co-operative governance. One should make sure that the myths still have a solid basis in social reality. Sociological research provides a litmus test that checks which myths have become invalid or are not applicable to a particular economic sector. Kasparian has admirably shown how such a test would work in the specific political and economic conjuncture of contemporary Argentina, but more work is yet to be done to transport this message to other parts of the globe and other sectors, like the digital gig economy.

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